

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PARK: A bill (H. R. 18927) to authorize State banks to form clearing-house associations and exempt them from the 10 per cent penalty; to the Committee on Ways and Means.

By Mr. MERRITT: A bill (H. R. 18928) for the purchase of a site and the erection thereon of a public building at Ticonderoga, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. REILLY of Connecticut: A bill (H. R. 18929) prohibiting the selling or shipping of foodstuffs to Europe; to the Committee on Interstate and Foreign Commerce.

By Mr. LEWIS of Maryland: Joint resolution (H. J. Res. 351) relating to railway rates; to the Committee on Interstate and Foreign Commerce.

By Mr. POST: Joint resolution (H. J. Res. 352) providing for a commission to complete the acquisition of lands for the extension of the Capitol Grounds, and providing for the payment thereof; to the Committee on Public Buildings and Grounds.

By Mr. HARDY: Joint resolution (H. J. Res. 353) authorizing the Secretary of the Treasury and the Federal Reserve Board to prescribe rules, etc., upon issuance of emergency currency; to the Committee on Banking and Currency.

By Mr. UNDERWOOD: Resolution (H. Res. 626) for the consideration of H. R. 18891; to the Committee on Rules.

By Mr. KAHN: Resolution (H. Res. 627) directing the Secretary of State to transmit to the House copies of all documentary information in connection with the transfer of the steamship *Robert Dollar* from Canadian or British registry to American registry; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARCHFELD: A bill (H. R. 18930) granting an increase of pension to Isaac W. Worrell; to the Committee on Invalid Pensions.

By Mr. HAMILL: A bill (H. R. 18932) granting a pension to Patrick O'Donohue; to the Committee on Invalid Pensions.

By Mr. NEELEY of Kansas: A bill (H. R. 18933) granting an increase of pension to John M. Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18934) for the relief of James Farrell; to the Committee on Claims.

By Mr. REED: A bill (H. R. 18935) granting a pension to Mary Ella Hoyt; to the Committee on Pensions.

Also, a bill (H. R. 18936) granting an increase of pension to George Dallison; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 18937) granting an increase of pension to John Schultz; to the Committee on Invalid Pensions.

By Mr. STEVENS of Minnesota: A bill (H. R. 18938) for the relief of Alfred W. Bjornstad, United States Army; to the Committee on Claims.

Also, a bill (H. R. 18939) for the relief of John A. O'Keefe, administrator of estate of William M. O'Keefe; to the Committee on Claims.

By Mr. TAVENNER: A bill (H. R. 18940) granting an increase of pension to William McGee; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 18941) granting a pension to Arthur J. Paradis; to the Committee on Pensions.

By Mr. BROUSSARD: Resolution (H. Res. 628) for the relief of Grace N. Hunt, widow of John T. Hunt, late an employee of the House of Representatives; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BARCHFELD: Papers to accompany bill granting increase of pension to Isaac W. Worrell, first sergeant Troop I, Sixth Regiment United States Volunteer Cavalry; to the Committee on Pensions.

By Mr. CARY: Petition of United Master Butchers of America, favoring subsidizing of land by the Government for farming and raising stock; to the Committee on the Public Lands.

Also, petition of the transportation committee of the Merchants and Manufacturers' Association, protesting against tax on freight and express receipts; to the Committee on Ways and Means.

Also, petition of American Bowling Co., of Milwaukee, Wis., protesting against tax on bowling alleys, etc.; to the Committee on Ways and Means.

Also, petition of Milwaukee Clearing House Association and Merchants and Manufacturers' Bank, of Milwaukee, Wis., protesting against tax on bank capital; to the Committee on Ways and Means.

Also, memorial of Philadelphia Board of Trade, protesting against House bill 18666, providing for the ownership, etc., of vessels in the foreign trade; to the Committee on the Merchant Marine and Fisheries.

By Mr. ESCH: Memorial of the National Association of Vicksburg Veterans, relative to appropriation for reunion of veterans at Vicksburg, Miss.; to the Committee on Appropriations.

Also, memorial of Philadelphia Board of Trade, protesting against H. R. 18666, providing for Government ownership, etc., of vessels in the foreign trade; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the United Master Butchers of America, relative to the Government subsidizing land for farming and raising live stock; to the Committee on Interstate and Foreign Commerce.

By Mr. FINLEY: Petition of Robert Sage and R. B. Caldwell, of the Commercial Bank, Chester, S. C., against stamp tax on checks; to the Committee on Ways and Means.

By Mr. KENNEDY of Connecticut: Memorial of the Socialist Party of Waterbury, Conn., protesting against the actions of the Colorado National Guard in regard to Federal troops stationed in Colorado; to the Committee on Military Affairs.

By Mr. KENNEDY of Rhode Island: Petition of Woonsocket Lodge, No. 199, International Association of Machinists, of Woonsocket, R. I., favoring passage of H. R. 17830, relative to stop watch for Government employees; to the Committee on the Judiciary.

By Mr. LIEB: Petitions of Miss Grace Fraser and Miss Catherine Millsbaugh, of Howell, Ind., in behalf of the Christian Endeavor Society and Epworth League, respectively, and the Indiana Sunday School Association, favoring national prohibition; to the Committee on Rules.

By Mr. MERRITT: Petition of Cynthia Hitchcock, president of the Woman's Christian Temperance Union, in behalf of 51 citizens of Hermon, N. Y., urging national prohibition; to the Committee on Rules.

By Mr. NORTON: Petition of citizens of Chaffee, N. Dak., protesting against a special tax on gasoline; to the Committee on Ways and Means.

By Mr. STEPHENS of California: Memorial of W. S. Dunbar Literary Society, of Los Angeles, Cal., favoring passage of House bill 5139, relative to retirement of aged Government clerks; to the Committee on Reform in the Civil Service.

Also, petition of licensed officers of the Pacific against suspension of navigation laws of the United States; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Roosevelt Camp, No. 9, Department of California, United Spanish War Veterans, Los Angeles, Cal., relative to discharge of Spanish War veterans employed in civil service of the United States Government in Philippine Islands; to the Committee on Reform in the Civil Service.

Also, petition of sundry citizens of Los Angeles, Cal., favoring amendment to section 85 of H. R. 15902; to the Committee on Printing.

By Mr. WATSON: Petition of sundry citizens of Amelia County, Va., respecting personal rural-credit legislation; to the Committee on Banking and Currency.

SENATE.

THURSDAY, September 24, 1914.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee day by day not to seek blessings from Thy hands for our Nation which Thou dost not freely give to all the nations of the earth, for Thou art not a respecter of persons. Thou hast made of one blood all nations that dwell upon the face of the earth. Thou hast fixed the bounds of their habitation and said, Thus far shalt thou go and no farther. But we come to Thee to get from Thee the inspiration of life. Thou art the sole center of truth and of righteousness and of life itself. We pray that we may be found in harmony with the divine will in carrying out Thy purposes among men. May our messages be of peace, and the influence that we exert weld together the great brotherhood of mankind. Let our ministries be for the welfare of the world. We ask Thy blessing and

guidance upon us in the duties of this day. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

HOUSE BILL REFERRED.

H. R. 16136. An act to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium, or sodium was read twice by its title and referred to the Committee on Public Lands.

PETITIONS AND MEMORIALS.

Mr. FLETCHER presented a telegram in the nature of a memorial from the Clearing House Association of Tampa, Fla., remonstrating against the proposed taxing of banks \$2 a thousand on their capital and surplus, which was referred to the Committee on Finance.

He also presented the petition of W. H. Cassady, of Leesburg, Fla., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. VARDAMAN. I present a telegram in the nature of a memorial from sundry banks of Meridian, Miss., remonstrating against the imposition of the proposed tax of \$2 a thousand on the capital stock and surplus of banks. It is characteristic of a number I have received, and I ask that the telegram be printed in the Record and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the Record, as follows:

[Telegram.]

MERIDIAN, MISS., September 23, 1914.

Senator JAMES K. VARDAMAN,
Washington, D. C.:

We protest most vigorously against the imposition of the proposed tax of \$2 per thousand on capital stock and surplus of banks in the proposed war-revenue bill. Banks are nothing more nor less than an aggregation of citizen stockholders, and the imposition of such tax on bank corporations alone seems to us very arbitrary and unjust. It seems to us that the tax should be distributed among all corporations, and we fail to see why banks should be singled out. We urge your efforts to prevent the imposition of this unjust discrimination.

FIRST NATIONAL BANK.
CITIZENS' NATIONAL BANK.
MERCHANTS & FARMERS' BANK.
GUARANTY LOAN, TRUST & BANKING CO.
E. CAHN, Banker.

Mr. SHIVELY presented a petition of the central committee of the Socialist Party of Allen County, Ind., favoring the taking over of packing plants, cold-storage warehouses, granaries, flour mills, etc., and prohibiting the exportation of foodstuffs, money, and munitions of war or the purchase in this country of any new issues of European bonds and other measures that will tend to bring to an end the war now raging in Europe, which was referred to the Committee on Finance.

COURTS IN NORTH CAROLINA.

Mr. OVERMAN. From the Committee on the Judiciary I report back favorably with an amendment the bill (H. R. 18732) to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, and I submit a report (No. 797) thereon. I ask unanimous consent for the present consideration of the bill. It is a local matter, affecting a change in the meeting of the district court in one of the towns in my State.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment was, on page 1, line 13, to strike out "Showan" and insert "Chowan," so as to make the bill read:

Be it enacted, etc., That section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same is hereby, amended to read as follows:

"SEC. 98. The State of North Carolina is divided into two districts, to be known as the eastern and western districts of North Carolina. The eastern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Beaufort, Bertie, Bladen, Brunswick, Camden, Chatham, Cumberland, Currituck, Craven, Columbus, Chowan, Carteret, Dare, Duplin, Durham, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hyde, Johnston, Jones, Lenoir, Lee, Martin, Moore, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Robeson, Richmond, Sampson, Scotland, Tyrrell, Vance, Wake, Warren, Washington, Wayne, and Wilson. Terms of the district court for the eastern district shall be held at Laurinburg on the last Mondays in March and September; at Wilson on the first Mondays in April and October; at Elizabeth City on the second Mondays in April and October; at Washington on the third Mondays in April and October; at Newbern on the fourth Mondays in April and October; at Wilmington on the second Monday after the fourth Mondays in April and October; and at Raleigh on the fourth Monday after the fourth Mondays in April and October: Provided, That the city of Washington, the city of Laurinburg, and the city of Wilson shall each provide and furnish at its own expense a suitable and convenient place for holding the district court at Washington, at Laurinburg, and at Wilson until a courthouse shall be constructed by the United States. The clerk of the court for the eastern district shall maintain an office in charge of himself or a deputy at Raleigh, at Wilmington, at Newbern, at Elizabeth City, at Washington,

at Laurinburg, and at Wilson, which shall be kept open at all times for the transaction of the business of the court.

"The western district shall include the territory embraced on the 1st day of July, 1910, in the counties of Alamance, Alexander, Ashe, Alleghany, Anson, Buncombe, Burke, Caswell, Cabarrus, Catawba, Cleveland, Caldwell, Clay, Cherokee, Davidson, Davie, Forsyth, Guilford, Gaston, Graham, Henderson, Haywood, Iredell, Jackson, Lincoln, Montgomery, Mecklenburg, Mitchell, McDowell, Madison, Macon, Orange, Polk, Randolph, Rockingham, Rowan, Rutherford, Stanly, Stokes, Surry, Swain, Transylvania, Union, Wilkes, Watauga, Yadkin, and Yancey. Terms of the district court for the western district shall be held in Greensboro on the first Mondays in June and December; at Statesville on the third Mondays in April and October; at Salisbury on the fourth Mondays in April and October; at Asheville on the first Mondays in May and November; at Charlotte on the first Mondays in April and October; and at Wilkesboro on the fourth Mondays in May and November. The clerk of the court for the western district shall maintain an office in charge of himself or a deputy at Greensboro, at Asheville, at Statesville, and at Wilkesboro, which shall be kept open at all times for the transaction of the business of the court."

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REGINA F. PALMER.

Mr. SHIVELY. From the Committee on Pensions I report back favorably without amendment the joint resolution (H. J. Res. 342) to correct an error in H. R. 12914, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Whereas by an error in printing the report of the Committee on Invalid Pensions upon H. R. 12914, approved July 21, 1914 (Private, No. 86), the designation of the military service of one William P. Palmer, late captain Company G, Two hundred and tenth Regiment Pennsylvania Volunteer Infantry, was changed to read "late Lieut. Col. Letzinger's emergency battalion"; and

Whereas there is also an error in the soldier's name, which changed it to read "William P. Palmer": Therefore be it

Resolved, etc., That the paragraph in H. R. 12914, approved July 21, 1914, granting a pension to Regina F. Palmer, as widow of William P. Palmer, Lieut. Col. Letzinger's battalion, Pennsylvania Infantry, be amended to read as follows:

"The name of Regina F. Palmer, widow of William P. Palmer, late captain Company G, Two hundred and tenth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of \$30 per month in lieu of that she is now receiving."

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

JESSE T. BRADY.

Mr. SHIVELY. From the Committee on Pensions I report back favorably without amendment a similar joint resolution, being a joint resolution (H. J. Res. 335) to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Whereas by clerical error in H. R. 12914, approved July 21, 1914, the given name of the soldier was changed from Jasper to Joseph: Therefore be it

Resolved, etc., That the paragraph in H. R. 12914, approved July 21, 1914 (Private, No. 86, 63d Cong.), granting a pension to one Jesse T. Brady, helpless child of Joseph Brady, be corrected and amended so as to read as follows:

"The name of Jesse T. Brady, helpless and dependent child of Jasper Brady, late of Company K, Forty-ninth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of \$12 per month."

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

WILLIAM ARMON.

Mr. SHIVELY. I am directed by the Committee on Pensions, to which was referred the joint resolution (H. J. Res. 339) to correct an error in H. R. 12914, to report it favorably without amendment, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Whereas by an error in printing the report of the House Committee on Invalid Pensions upon H. R. 12914, approved July 21, 1914 (Private, No. 86), the designation of the military service of one William Armon, late of Company D, Fiftieth Regiment Wisconsin Volunteer Infantry, was changed to read "William Armon, Company D, Fifth Wisconsin Volunteer Infantry": Therefore be it

Resolved, etc., That the paragraph in H. R. 12914, approved July 21, 1914 (Private, No. 86), granting an increase of pension to one William Armon, be corrected to read as follows:

"The name of William Armon, late of Company D, Fiftieth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of \$50 per month in lieu of that he is now receiving."

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KENYON:

A bill (S. 6527) granting an increase of pension to Joseph P. Kridelbaugh; to the Committee on Pensions.

By Mr. ROOT:

A bill (S. 6528) to make Nyando, N. Y., a port through which merchandise may be imported for transportation without appraisement; to the Committee on Commerce.

By Mr. SHIVELY:

A bill (S. 6529) granting an increase of pension to Charles M. Milligan;

A bill (S. 6530) granting an increase of pension to Mack Carr;

A bill (S. 6531) granting an increase of pension to Charles H. Lewis (with accompanying papers);

A bill (S. 6532) granting an increase of pension to Frank Varney (with accompanying papers);

A bill (S. 6533) granting an increase of pension to Frederick Hutton (with accompanying papers); and

A bill (S. 6534) granting an increase of pension to John W. Grubb (with accompanying papers); to the Committee on Pensions.

WITHDRAWAL OF PAPERS—CAROLINE B. SLOAN.

On motion of Mr. SHIVELY, it was

Ordered, That the papers accompanying the bill (S. 4861) granting a pension to Caroline B. Sloan, Sixty-third Congress, second session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

THE STANDARD OIL CO.

Mr. GORE. I offer a resolution and ask for its present consideration.

The resolution (S. Res. 457) was read, as follows:

Resolved by the Senate, That the Federal trade commission be requested, as soon as organized, to investigate the following matters and report its findings to the Senate:

First. The relation now existing among the several branches or companies into which the Standard Oil Co. was resolved after its dissolution in pursuance of the decision of the Supreme Court.

Second. The relation between the producing, purchasing, transporting, and refining agencies of the Standard Oil Co. or its branches, and the methods and practices on the part of such agencies toward the independent producers, transporters, and refiners of oil.

Third. The efforts of the Standard Oil Co. or the companies into which it was divided to control the price of crude oil and the price of its refined products, as well as the results of such efforts.

Fourth. The capital and declared dividends of the Standard Oil Co. for three years prior to dissolution, and as to the capital and declared dividends of the several companies into which it was resolved since the date of its dissolution, together with a comparison of such earnings with the earnings of independent oil-refining companies.

The VICE PRESIDENT. The Senator from Oklahoma asks for the present consideration of the resolution.

Mr. SMOOT. Mr. President, the resolution may be all right; it appears to be so from the reading of it, but I think resolutions of that kind ought to be printed, so we may see just what they contain. For that reason I ask that the resolution may go over until to-morrow.

The VICE PRESIDENT. There being objection, the resolution will lie over for a day.

MEMORIAL ADDRESSES ON THE LATE REPRESENTATIVE PEPPER.

Mr. KENYON. Mr. President, I desire to give notice that on Saturday, December 12, at the conclusion of the routine morning business, I shall submit resolutions commemorative of the life and services of Hon. IRVIN S. PEPPER, late a Representative from the State of Iowa.

ATCHISON, TOPEKA & SANTA FE RAILWAY CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1930) granting to the Atchison, Topeka & Santa Fe Railway Co. a right of

way through the Fort Wingate Military Reservation, N. Mex., and for other purposes, which was to strike out all after the enacting clause and insert a substitute.

Mr. MYERS. I move that the Senate concur in the amendment of the House.

Mr. SMOOT. I should like to ask the Senator from Montana, before that action is taken, whether it will be agreeable to the Senators from New Mexico.

Mr. MYERS. I am told that it is. The bill was introduced by the Senator from New Mexico [Mr. CATRON], and he spoke to me a time or two about getting it through the Senate Committee on Public Lands. It went through the committee as he introduced it and was passed by the Senate. It then went to the House, and these changes were made there. It is a bill, as the Senator will see, granting—

Mr. SMOOT. I will say to the Senator that I am aware of the object of the bill.

Mr. MYERS. It is necessary for me to state, in order to make my explanation clear, that it is a bill in favor of the Atchison, Topeka & Santa Fe Railway Co. The Senator from New Mexico [Mr. CATRON] is out of the city, and the attorneys for that road have sent word that the amendment is entirely agreeable to them, and they wish to have it concurred in by the Senate. I only act on their representation. I have examined the amendment, and the changes restrict and safeguard the license lower than the original bill; that is, they make it less liberal to the railroad. The changes were made in the House to guard and restrict the license a little more than the original bill, and the representatives of the road having stated that the changes are agreeable to them, I simply make the motion in the interest of the Senator from New Mexico [Mr. CATRON], supposing that if it is agreeable to them it will be to him. That is all the information I have on the subject. I have no interest whatever in it except that I am simply doing it as a matter of accommodation.

Mr. SMOOT. On the statement made by the Senator from Montana I am perfectly willing that the amendment of the House shall be agreed to.

Mr. MYERS. The representation was made to me by the attorneys in this city for the road that the amendment is agreeable to them.

Mr. SMOOT. I knew that both Senators from New Mexico were deeply interested in the bill, and as the amendment struck out all of the provisions of the Senate bill as introduced by the Senator from New Mexico [Mr. CATRON], making an entirely new bill, and not having heard the amendment of the House read, I thought it was my duty to ask the Senator from Montana if it was agreeable to the Senators from New Mexico.

Mr. MYERS. I am glad the Senator did so. I wish to say that striking out all the bill and inserting a substitute was really unnecessary, because the changes made are very few and slight, and it could have been done just as well by interlineations.

Mr. JONES. I wish to ask the Senator from Montana whether the substitute has been submitted to the department in any way, and whether its judgment in reference to it has been received.

Mr. MYERS. I suppose the report of the House committee would throw light on that subject. I ask for the reading of the House report.

Mr. JONES. I do not care to insist on that of course. In view of the statement of the Senator a moment ago, I think it is probably all right. As it is a more restrictive bill than was passed by the Senate I will not delay it further.

Mr. MYERS. Some Senators around me want to have the amendment of the House read, and therefore in their behalf I ask for its reading.

The VICE PRESIDENT. It will be read.

The SECRETARY. Strike out all after the enacting clause and insert:

That the Atchison, Topeka & Santa Fe Railway Co., of Kansas, a corporation created under and by virtue of the laws of the State of Kansas, be, and the same is hereby, granted authority, subject to the limitations and conditions hereinafter set forth, to survey, locate, construct, and maintain a railway, telegraph, and telephone line into and upon Fort Wingate Military Reservation, N. Mex., to connect with its present right of way, as may be determined and approved by the Secretary of War or the chief officer of the department under whose supervision such reservation may otherwise fall.

Sec. 2. That said corporation is authorized to use for all purposes of a railway, telegraph, and telephone line, and for no other purpose, a right of way 200 feet in width through said Fort Wingate Reservation, with the right to use other additional ground when cuts and fills may be necessary for the construction and maintenance of said roadbed, not exceeding 100 feet in width on each side of the said right of way, or as much thereof as may be included in said cut or fill, excepting, however, from said right of way hereby granted that strip or portion thereof which would be included within the limits of the present 200-foot right of way heretofore granted to said The Atchison, Topeka & Santa Fe Railway Co. and used by it as its main-line right of way: *Provided*, That no part of the lands herein authorized to be taken shall be used except in such manner and for such purposes as shall be necessary for

the construction and convenient operation of said railway, telegraph, and telephone lines and the use and enjoyment of the rights and privileges herein granted; and when any portion thereof shall cease to be so used such portion shall revert to the United States: *Provided further*, That any other person or duly organized corporation constructing a railroad along a line necessitating the crossing of said reservation may, upon obtaining a license from the Secretary of War, or from the chief officer of the department under whose supervision such reservation may otherwise fall, use the track and other constructions herein authorized to be placed upon the reservation by the said The Atchison, Topeka & Santa Fe Railway Co., upon paying just compensation; and, if the parties concerned can not agree upon the amount of such compensation, the sum or sums to be paid for said use shall be fixed by the Secretary of War or by the chief officer of the department under whose supervision such reservation may otherwise fall: *Provided further*, That before this act shall become operative a description by metes and bounds of the lands herein authorized to be taken shall be approved by the Secretary of War, or by the chief officer of the department under whose supervision such reservation may otherwise fall: *And provided further*, That the said The Atchison, Topeka & Santa Fe Railway Co., of Kansas, and other parties obtaining license from the Secretary of War or chief officer of the department under whose supervision such reservation may otherwise fall as hereinbefore provided, shall comply with such other regulations or conditions as may from time to time be prescribed by the Secretary of War, or by the chief officer of the department under whose supervision such reservation may otherwise fall.

SEC. 3. That the powers herein granted are limited to a period of 50 years unless sooner altered, amended, or repealed by Congress.

SEC. 4. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MYERS. Understanding that it is agreeable to the Senator from New Mexico [Mr. CATRON], the author of the bill, and at request of the parties interested, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on September 23, 1914, approved and signed the following joint resolution:

S. J. Res. 166. Joint resolution authorizing the President to designate two officers connected with the Public Health Service to represent the United States at the Sixth International Sanitary Conference of American States, to be held at Montevideo, Uruguay, in December, 1914, and making an appropriation to pay the expenses of said representatives, and for other purposes.

FRANCHISES FOR PORTO RICO (H. DOC. NO. 1168).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Pacific Islands and Porto Rico:

To the Senate and House of Representatives:

As required by section 32 of the act of Congress approved April 12, 1900, entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," I transmit herewith certified copies of franchises granted by the Executive Council of Porto Rico, which are described in the accompanying letter from the Secretary of War transmitting them to me. Such of these as relate to railroad, street railway, telegraph, and telephone franchises, privileges, or concessions have been approved by me, as required by the joint resolution of May 1, 1900 (31 Stat., 715).

WOODROW WILSON.

THE WHITE HOUSE, September 24, 1914.

RURAL CREDITS.

Mr. HOLLIS. Mr. President, I have been asked by several Senators for information regarding the rural-credits legislation that is now pending, and it has seemed to me best to make a short speech on the subject, so that that information may be in the RECORD and available to all who are interested. I have boiled down my remarks to five or six typewritten pages, and in order that the speech may appear in the RECORD in compact and consecutive form I ask that I be not interrupted until I have finished. Then I shall be glad to answer any questions.

Mr. President, farm-mortgage loans in the United States aggregate over two billion dollars. Farmers are paying annually for the use of this vast sum from 5 per cent to 25 per cent, largely in the guise of commissions, lawyers' fees, and renewal charges.

It is the object of the rural-credits bill to make money available on good farm loans anywhere in the United States, at a low interest rate, cutting out the middleman with his commissions and fees.

Subcommittees of the Senate and the House Committees on Banking and Currency have held joint hearings on this subject, beginning in February, 1914, and working steadily for three months. The results are a volume of testimony containing over 900 pages, and a rural-credits bill of 48 pages.

This bill was introduced simultaneously in the Senate and in the House May 12, 1914. It is Senate bill 5542. Several thousand copies are available for distribution.

The bill is in no sense a partisan measure. It is the joint work of Democrats and Republicans, and its main features have the substantially unanimous approval of the two subcommittees. It is a fair compromise of the various views of students of the rural-credits problem.

There are two main schools of thought on this subject, the radical and the conservative. The radical would have the Federal Government borrow money on its bonds, and make loans directly to the farmer at 4 per cent, or even less. This is the extreme of so-called Government aid. The conservative would provide a system of land banks, bringing the farmer and the investor together for their mutual profit and advantage, but providing no Government aid.

Senate bill 5542 takes a middle ground between these two views, avoiding Government loans, but exercising strict supervision of the system, and giving indirect aid of a substantial character. The bill borrows from the European system such features as are adaptable to American conditions, adds certain provisions which are believed to be new, strikes a fair medium between the radical and the conservative, and brings the whole into harmonious relations with the Federal Reserve Board and the Federal reserve act.

The Federal Reserve Board is already a powerful agency in Government control of commercial banking. In order to secure for farm loans the benefit of this great agency, the rural credits system is placed under the general control of the Federal Reserve Board. The many advantages of this relation are at once apparent.

The executive officer of the system is called the farm loan commissioner. The loans are confined to first mortgages and first liens on farm lands.

There are associations of two sorts—local and district: One to make loans to farmers, the other to float bonds which will be a safe and attractive investment. It is conceded that the success of the system depends upon the attractiveness of the bonds as a gilt-edge investment.

The local units are called national farm loan associations, whose sole function shall be to make loans on farm lands within a specified district. They are to receive a charter from the national farm loan commissioner. To avoid speculation and undue inflation, loans are limited to \$4,000 to any one person, and are not to exceed 50 per cent of the appraised value of the property.

These local associations will approximate the size and functions of the ordinary building and loan association. The office may be in a country store, or with a local insurance agent. They will never have a large amount of money on hand. A single executive officer will care for their simple routine. They will not receive deposits subject to check, or loan money on anything but first mortgages.

Under this plan their charges will be very light. They will command the inexpensive services of public-spirited men who wish to serve the community. Their activities will not be diverted to commercial channels, nor will they run the risks of business loans. Every loan should be absolutely safe, though on long time. All loans will be on the "amortization plan," a small sum being paid in on the principal with every interest payment, so that the principal will be paid with the last interest payment at the end of 10, 15, 20, or even 30 years.

The capital of the local association will be not less than \$10,000, with shares of \$25 each. Provision is made for taking shares by making partial payments, in accordance with the building and loan plan.

There should be one of these farm loan associations in every community of the United States. They are so easy to organize, so easy to run, and so beneficial that every community will want one.

The other form of association provided by the bill is the Federal land bank. Each farm loan association will be required to contribute not less than 10 per cent of its capital to the capital of the Federal land bank of its district. There will be one land bank for each Federal reserve district, probably, but not necessarily, located in the same city as the Federal reserve bank.

When the farm loan association has loaned all or nearly all of its capital, it may sell its mortgages to the land bank of its district, in the same way a member bank may sell or "rediscount" its commercial notes in its dealings with a Federal reserve bank. The land bank thus obtains good mortgages, indorsed by the loan association, and the loan association obtains

more funds to loan to borrowers in its locality. This operation may be repeated until the loan association has made loans equal to twenty times its capital. As its capital is increased it may increase its loans twentyfold.

The farm loan associations and the land banks will divide equally between them 1 per cent annually from each loan for the payment of expenses and dividends. Judging from the experience under similar systems in Europe, this amount will be sufficient to pay a good profit on the capital invested.

The Federal land banks, having purchased mortgages from the loan associations, will be permitted to issue investment bonds based upon the security of the mortgages thus acquired. The issue of these bonds will be carefully supervised and will be under the direct control of the Federal Reserve Board. It is believed that these bonds will find a ready market on a 4 per cent basis, so that loans may be made to farmers at 5 per cent in most sections.

In States where the prevailing rate of interest is high a rate will be charged somewhat in excess of the rate charged in other States, in order to compensate for possible losses, just as life insurance companies sometimes charge on participating policies more than is ordinarily necessary. But the excess charged above the regular rate will be kept in a special reserve fund, and after the losses have been ascertained and liquidated over a period of years the surplus will be returned to the borrowers in the same way dividends are paid to members under a participating life insurance policy. In this way it is expected that interest rates throughout the country will be brought closer together, resulting in substantial reductions in the South and West.

Every precaution will be taken to make the loans absolutely safe. Each loan association will have an appraisal committee of three members, one to be appointed by the directors of the Federal land bank of the district. When the loan association wishes to sell, or "rediscount," some of its mortgages, the land bank will make a further appraisal before it accepts the securities. Any loans made by the loan association which do not come up to the test of the land bank will be left on the hands of the loan association. They will not necessarily mean a direct loss to the loan association, but they will curtail its operations.

The experience of the great life insurance companies, as well as of the European banks, leads to the belief that good loans will be practically unknown. Appraisals will be on the basis of the earning power of the land, not of the supposed market value.

In order further to discourage land speculation and inflation of values, the purposes for which loans may be made are limited to four:

1. To liquidate prior indebtedness of the owner.
2. To provide for the improvement of the land.
3. To provide for the purchase of equipment and live stock.
4. To provide for the purchase of a farm home.

The Federal land banks will have a subscribed capital of not less than \$500,000. The farm-loan bonds will be backed (a) by the security of the mortgaged lands, (b) by the indorsement and capital of the farm-loan association, (c) by the indorsement and capital of the Federal land bank, and (d) by the double liability of the stockholders of the land bank. They will prove one of the safest forms of investment ever offered to the public. Their issue will be closely supervised by the Government, and they should sell on nearly the same basis as the Landschaften bonds in Germany, which bring a higher price on the market than bonds of the German Government.

The land banks and farm-loan associations and their capital stock, reserves, surplus, and income, the mortgages and farm-loan bonds and their income, are all exempt from Federal, State, and local taxation. There is a provision permitting postal savings funds to be invested in farm-loan bonds.

In order to give evidence of the Government's faith in the bonds and of its proper supervision of their security and issue, it is provided that the Federal Reserve Board may require the Treasury of the United States to purchase not exceeding \$50,000,000 of farm-loan bonds in any one year. The Government would not be called upon to purchase these bonds in times of financial stress, and in ordinary times it could doubtless borrow money at 3 per cent or 3½ per cent. The farm-loan bonds purchased by the Government would yield 4 per cent. The purchase, therefore, would in no sense be an expenditure or a loss to the Government, but would prove a remunerative investment, at the same time assuring private investors of the soundness and desirableness of the securities.

It is further provided that the Secretary of the Treasury may, on 30 days' notice, require the land banks to cease making further investments and devote their total available receipts above maturing liabilities to the redemption of bonds held by the Government. By this process the Government, having bor-

rowed at low rates in times of financial ease, would have large sums available for immediate use in times of stress. Instead of a liability these bonds would thus prove a most valuable asset.

We feel that a purchase of a limited amount of farm-loan bonds by the Government is the best possible compromise of the conflicting views regarding Government aid. Direct loans by the Government are thus avoided, and the benefits of private energy and initiative are retained. We secure an official indorsement of the bonds and thus insure their ready sale on the market. This feature of the bill has been accepted by the legislative committee of the National Grange and by most of the advocates of Government aid. It is fair to say that the radical group, favoring direct loans by the Government, have been more disposed to accept a reasonable compromise than the conservatives.

The tendency to abandon agriculture and seek the larger centers of population has become a national menace in this country and in Europe. It increases the cost of living and causes a one-sided development. Most civilized nations are already offering direct aid and other inducements to persuade the people back to the land. The subcommittees on rural credits believe that the United States can well afford the moderate encouragement afforded by this bill.

Speaking generally, the pending rural-credits bill follows the general lines of the Federal reserve act, and it is intended to supplement that measure. The Federal reserve act was for the particular benefit of commercial banks, and for the better handling and greater ease of short-time loans; it was intended to satisfy commercial needs. The pending bill is for the benefit of farmers, so that they may work with better and more effective instrumentalities in their vocation; it is intended to provide facilities for long-term loans, with small yearly payments, at a low rate of interest.

The bill is now pending before the Committees on Banking and Currency in the two branches of Congress, where it will doubtless be further improved. The pending trust legislation has consumed so much time that it has not seemed wise to press the bill at the present session, but it is hoped that final action may be taken some time next winter.

In the meantime we desire the most widespread publicity for the bill, so that farmers and people generally may become familiar with its provisions and forward to their Senators and Representatives in Congress their suggestions and criticisms.

Mr. President, the work on this bill has been done in a most efficient and economical way. The subcommittees of the Senate and of the House held joint hearings, continuing from February for two months; and the expenses of printing, the expenses of witnesses, and all other expenses were thus shared between the two Houses.

After we had obtained the information, we reached a unanimous agreement on the main features of the bill, and it then became necessary to have the bill properly drafted. The joint subcommittees unanimously voted to employ Dr. H. Parker Willis to draft the bill—not to furnish the ideas in the bill, but to make sure that things were harmonious in the bill and harmonious with the Federal reserve act. Dr. Willis did not ask for employment. He was selected by the subcommittees. He drafted the Federal reserve act, and I took occasion a year ago to call attention to the fact that the main structure of the Federal reserve act was not changed. Many details were changed, but the bill stood with the framework that was originally given to it.

We employed Dr. Willis. Since that time he has been employed as the secretary of the Federal Reserve Board, which is another guarantee of his fitness for this task. There was no appropriation by the Senate for the purpose of employing an expert. There was an appropriation made in the House, so that the subcommittee there was not hampered. I therefore brought this matter to the attention of the full Banking and Currency Committee, and they authorized a resolution to employ an expert at not to exceed \$25 a day and not to exceed a total of \$500. That resolution was introduced and was referred to the proper committee, the Committee to Audit and Control the Contingent Expenses of the Senate, and it was favorably reported March 28, 1914, and is now on the calendar.

I never have been able to get that resolution up. As a coincidence, after I had given notice that I should address the Senate on this subject on yesterday, before it appeared in public, I received a bill from Dr. Willis, through Mr. BULKLEY, the chairman of the House subcommittee. His whole bill amounts to \$2,000, with expenses for traveling and hotel bills amounting to \$288.50. That included nine trips from New York to Washington.

Mr. BULKLEY, of the House subcommittee, is willing to pay the larger part of that bill. He already has his appropriation

and I am trying to get mine. We are already authorized to pay these expenses from a fund at the disposal of the Banking and Currency Committee. They are traveling expenses, and Dr. Willis appeared before the committee.

I wish to call up by unanimous consent from the calendar at this time this resolution, which is Senate resolution 318, Order of Business No. 327. I ask unanimous consent to do that.

The VICE PRESIDENT. Is there any objection?

Mr. REED. Mr. President, I should like to have the resolution read, so that we may know what it is.

The resolution (S. Res. 318), submitted by Mr. OWEN on March 26, 1914, was read, as follows:

Resolved, That the Committee on Banking and Currency, in preparing a bill relating to rural credits, is hereby authorized to employ the assistance of a financial expert to advise on technical points involved, at a salary not to exceed \$25 per day while so employed, the total amount to be paid for such purpose not to exceed \$500, to be paid from the contingent fund of the Senate, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. REED. Mr. President, I understood the Senator to say that a man had been employed already, and that he was doing the work.

Mr. HOLLIS. The work has been completed. The bill has been drafted and introduced in the Senate and is now before the committee.

Mr. REED. I may have misheard the Senator, but I thought he said something about the House committee having authority to employ him. This is all this man is to get? That is what I want to know.

Mr. HOLLIS. What I have stated is the full amount he is to have for the service employed.

Mr. REED. Not to exceed \$500?

Mr. HOLLIS. No; when I have the resolution up I am going to ask that we be allowed to pay \$750 of the amount, plus the expenses, which will make the total amount on the Senate side \$1,038.50, while the House side will pay \$1,250.

Mr. REED. Is this gentleman now employed?

Mr. HOLLIS. No; he has finished his service. He is now secretary of the Federal Reserve Board.

Mr. REED. Did any part of this salary run during the time he was drawing a compensation from the Government otherwise?

Mr. HOLLIS. No; not at all. It was all before that.

Mr. REED. Who is the gentleman?

Mr. HOLLIS. H. Parker Willis.

Mr. REED. H. Parker Willis?

Mr. HOLLIS. Yes.

Mr. REED. What did he know about rural credits?

Mr. HOLLIS. He drafted the Federal reserve act, and he merely took the ideas that were given him by the subcommittee on rural credits and put them into proper shape as he was directed to do.

Mr. NELSON. Mr. President, this gentleman, H. Parker Willis, is the father of the Federal reserve law, the author of it in the first instance. He appeared before our committee, as the Senator will remember.

Mr. REED. I remember that, but this is the first time I have ever heard the statement made flatly that he was the author of that law. I remember, when we had the hearings, trying to get him to say he was the author of it, and coming to the conclusion that it was rather hard to get him to say whether he was or not.

Mr. HOLLIS. If the Senator will permit me, I have never heard it claimed that he was the author of the act. It is a fact that after the principles that were to go into the act were decided upon, as has been done in this case, he was asked to draft the measure, and I have always understood that he did so.

Mr. REED. I am going to make this statement: I am not going to object to the consideration of this resolution, but in my opinion H. Parker Willis is no financial expert. Neither is he, in my opinion, a lawyer qualified to put proper phraseology in the bill. I think perhaps it was his work that made it necessary to amend the banking and currency bill some 600 times, when probably, if it had been drawn by a man qualified to draw it, it would not have had to be amended so often.

Mr. HOLLIS. Mr. President, this whole matter was brought before the Senate Banking and Currency Committee before Mr. Willis was employed at all. There was a meeting of the committee, with a large attendance, and I stated frankly that the subcommittee had voted to employ Mr. Willis. It was done with the full knowledge of the committee. It has been done, and he has done the work. It seems to the subcommittee that his bill is reasonable, and for that reason I should like to bring up the resolution and dispose of it.

Mr. REED. Mr. President, I have been in pretty constant attendance upon the committee. Of course, this action was taken at a committee meeting, because the Senator says so; but the first time I knew Mr. Willis was employed was during the last 10 minutes. I am not objecting, however, to considering the resolution and shall not object to the payment of the bill, because my experience has been that these bills have always been paid; but I am getting a little tired of the posing as experts of a lot of inexperienced men drawing high salaries.

Mr. SHAFROTH. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Colorado?

Mr. HOLLIS. I yield.

Mr. SHAFROTH. I will state, as a member of the Banking and Currency Committee, that this matter was brought by the Senator from New Hampshire to the attention of the committee, and we discussed it. I have been in the habit of kicking on these experts, and it was at my suggestion that the amount was limited to \$25 a day and the total amount was limited to \$500. I had had experience in employing some experts who had brought in bills for all the way from \$50 to \$100 a day, and I objected to it most strenuously. I believe that in the drafting of this bill, however, there has been a great deal of work done. The compensation which the Senator from New Hampshire is asking, it seems to me, is not unreasonable, and I hope the resolution will be agreed to.

Mr. SMOOT. Mr. President, I should like to ask the Senator how many days Mr. H. Parker Willis served. Has he rendered a bill to the committee?

Mr. HOLLIS. He has. He has rendered a bill to the committee for 30 days' services at \$25 a day, \$750. He has divided his total charge between the Senate committee and the House committee. I have agreed with Mr. BULKLEY, of the House committee, that it is a fair amount, and that the time has been actually consumed.

Mr. SMOOT. In other words, the \$2,300 that the Senator would pay him would represent about 92 days' service at \$25 a day?

Mr. HOLLIS. Yes.

Mr. SMOOT. Does the Senator think it took that number of days to draft this bill?

Mr. HOLLIS. Yes; I know it did, because he came down here on nine different trips to confer with us. This covers not only the drafting of the bill, but the work on the report that the subcommittee wishes to use for the full committee when the bill is reported.

Mr. SMOOT. Mr. President, I am not going to object to the consideration of this resolution; but I want to say to the Senator and to the Senate that the best way to proceed in a case like this is for the Senate to authorize it before the work is done. Then there is no question about it at all, and if the person is not satisfactory to the Senate it can say so. If it wants the Senators to draw their own bills, the Senate has it in its power to say so. Now, however, the work is done, and the bill is rendered, and the Senator says the service was given by this man. Whether it has been rendered in whole or only in part, I can not see anything else for the Senate to do but to pay it.

Mr. CRAWFORD. Mr. President, with the Senator's permission I wish to say, in justice to Mr. Willis, that I was a member of the subcommittee that met with the joint committee of the House, and I know that extending over many weeks the committee met and considered this subject. It was a matter of pioneer legislation, with all sorts of suggestions, from all kinds of people, conservative propositions and very radical propositions, some practicable and some impracticable. While I am not passing on the qualifications of Mr. Willis, it seemed to me it was wise for the subcommittee to have the services of some one who had been through the entire work of drafting the Federal reserve act, who was familiar with all of its details, and who was able, in framing this bill, to bring it into harmony with that new system.

I know Mr. Willis attended faithfully to this work, and did it in pursuance of some agreement and understanding. It seems to me that now, after it has been done, the committee having worked faithfully and spent a good deal of time on this draft which it is placing before the Senate and the country, as long as the bill rendered is a reasonable one and within the per diem contemplated, we are not in a position to question the propriety of paying it.

Mr. ROOT. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from New York?

Mr. HOLLIS. I yield.

Mr. ROOT. I have been very much impressed by the indications of faithful work on the part of the committee in the

remarks of the Senator from New Hampshire. While it may be, as the Senator from Utah has just said, that it is the better practice to ask the Senate beforehand for specific authority to employ an expert, nevertheless we must have confidence in our committees in such a matter as the selection of a person to do this kind of work. We can not pass on it ourselves from the floor of the Senate. Good administration, the necessities of effective legislation, require that we shall stand by our committees in matters of detail of that kind, and I for one am ready to follow the committee which is doing our work with apparent effectiveness and sincerity of purpose. I am ready to stand by the committee in the exercise of their judgment as to who was the proper person to employ and what was the proper compensation. It is all within narrow limits. This is a pioneer subject and one of the greatest importance, which ought to have our sympathy. We have expended great amounts of money in the employment of experts hitherto for commercial purposes, for tariff purposes, for purposes of investigation. Counsel after counsel has been employed to do work which perhaps could have been done by members of committees. Upon this very important new subject, a matter requiring original research in order to have the work done properly, I do not think we ought to hesitate at all to stand by the committee in the request they make.

Mr. HOLLIS. Mr. President, I do not want the Senate to get the impression that I have committed the Senate to this matter at all. I well knew that it was better to get authority in advance. I therefore brought this matter before the attention of the Banking and Currency Committee on March 26. I explained fully my program, told them whom we had agreed to employ, and obtained their unanimous approval. The resolution was reported favorably by the Committee on Contingent Expenses on March 28, and went on the calendar. I never have been able to get it up since then.

Now, this was the situation: If we had waited until now, until I could get it up, this bill could not have been drafted in time for use at the next session. The Committee on Banking and Currency in the House was authorized to employ an expert, and they would have employed him alone, and I so understood that if the Senate committee would not authorize this bill the House committee would have to pay all of it. I did not believe the Senate wanted the House committee to pay the full bill, however. I therefore brought it to the attention of the Senate at the first opportunity, and I should be glad now if it could be considered.

Mr. FLETCHER. Mr. President, I know something of the work of the subcommittee on Banking and Currency of the Senate and of the House and something of their joint labors, and I know perfectly well that they have given a great deal of attention and study to this most important subject, which is not only a new one, but one of vast concern to all our people, and especially to the agricultural interests of the country. I know that Senate Document 214, comprising some 900 pages of printed matter, said to be the most full and complete of anything on this subject, is the result of the work of the commission which our Government sent abroad for the purpose of collecting data on this question. I know that these committees have faithfully devoted their time to this work. It seems to me, although I do not know Mr. Willis, but trusting to the judgment of the committee as to the character of the man they would select for this work, that his charges are exceedingly small and that the bill ought to be paid without any question whatever. As the Senator has said, it would have been impracticable to wait until the Senate authorized this expenditure before these committees proceeded.

There being no objection, the Senate proceeded to consider the resolution.

Mr. HOLLIS. I wish to offer an amendment to the resolution.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. Strike out all after the resolving clause and insert:

That the claim of H. Parker Willis, amounting to \$1,038.50, for services and expenses in drafting and preparing a rural credits bill, incurred at the request of the subcommittee of the Senate Committee on Banking and Currency, charged with the investigation of rural credits, be paid from the contingent fund of the Senate, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HOLLIS. I ask for the adoption of the amendment.

The VICE PRESIDENT (after a pause.) The question is on the substitute. Is there any objection? The Chair hears none. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

Mr. FLETCHER. Before the Senator from New Hampshire takes his seat I wish to ask him if he will state in a broad and

general way what especial features in the bill which he has discussed this morning as the work of the Joint Committees on Rural Credits from the Committees on Banking and Currency of the Senate and House as S. 5542 differs from the bill which is the work of the United States commission introduced by me January 29, 1914, which is Senate bill 4246?

Mr. HOLLIS. There have been several bills on the subject introduced. I have not read any of the other bills for some weeks, but as I recall the Fletcher-Moss bill the present bill is similar in all respects, but the framework of the Fletcher-Moss bill was used and numerous improvements, we think, were added to it. However, the work of the commission was really the basis for the work the subcommittees have done.

Mr. SMOOT. Mr. President, so that the record may be straight, I want to call attention to the fact that the resolution which has just passed the Senate is in direct violation of the law. I did not want to object to it because I thought perhaps the Senator from New Hampshire would think I did so in opposition to the resolution.

Mr. LANE. I should like to ask the Senator, if he understood it was in direct violation of the law, why he did not call attention to it?

Mr. SMOOT. It was done by the unanimous consent of the Senate, and I rise now for the purpose of making the above statement for the Record. The resolution which had been reported by the Committee to Audit and Control the Contingent Expenses of the Senate was for the purpose of employing an expert at a sum not to exceed \$500. The resolution the Senator from New Hampshire offered as a substitute was an entirely different resolution. It was to pay a party one thousand and some odd dollars. Before that could rightfully be passed upon by the Senate it should have been referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I simply call it to the attention of the Senate so that if the same question should come up in the future to-day's action could not be pointed to as a precedent.

The VICE PRESIDENT. The Chair paused on this matter when it was presented. The Chair does not believe that ordinarily it is the business of the Chair to enforce the law or the rules of the Senate without suggestion from the floor. The only duty is to put the question.

Mr. HOLLIS. I desire to state that the matter was before the Committee to Audit and Control the Contingent Expenses of the Senate and was reported upon, and I know of no rule of the Senate that could prohibit the Senate from amending a resolution of this kind at its pleasure. There are rules applying to general appropriation bills, it is true, but this is not such a measure. I looked at the rules very carefully, and in Jefferson's Manual, to see if there could be any objection to such an amendment, and I could not find it. If there were such a rule, I think the Senate ought to follow it.

Mr. SMOOT. I would be perfectly willing to have the Chair rule upon it; and if the Senator feels sure about it and does not object to it, I will ask for a reconsideration of the vote by which the resolution was agreed to, and then let it be decided by the Chair.

Mr. HOLLIS. I think that would be an entirely useless proceeding. Everyone seems to be in favor of the resolution, and I can see no need of going through a useless motion to reach the same result.

Mr. SMOOT. It would have been a useless motion if the Senator had not made the statement he did.

Mr. OVERMAN. Mr. President, I should like to know what rule the Senator from Utah insists on. Does the Senator from Utah contend that when a resolution is offered and goes before the Committee to Audit and Control the Contingent Expenses of the Senate, and that resolution comes back here, the Senate can not increase the amount if it chooses to do so?

Mr. SMOOT. A Senator can not offer another resolution by way of amendment entirely different from the resolution passed upon by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. OVERMAN. It is not another resolution; it is simply carrying out the same purpose. The resolution went before the committee and it was reported favorably by the committee. The substitute is a matter pertaining to the same subject and increasing the amount; that is all.

Mr. SMOOT. Under the law I feel positive that the amendment which was offered in the shape of a substitute resolution should have been referred to the committee.

Mr. JONES. Mr. President, I think the Senator from Utah is wrong about the law. This matter has been the subject of discussion in the Senate many times. The law requires that payment shall be made upon vouchers, and so forth, passed on and approved by the Committee to Audit and Control the Con-

tingent Expenses of the Senate. The Senate can pass the resolution and the parties to be paid will have to depend upon having their vouchers approved by the committee afterwards. The only advantage given is that if the Senate acts on it first, of course there can not be any question about it before the committee.

Mr. SMOOT. Does the Senator from Washington claim that a resolution can be offered in the Senate appropriating \$100 and be passed upon by the Senate without referring it to the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. JONES. I do. It can be passed, but it may never be paid.

Mr. SMOOT. That is not what the law says.

Mr. JONES. That is just the difference between the Senator and myself on the construction of the law.

Mr. SMOOT. The law says it shall be referred to the committee.

Mr. CRAWFORD. The Senator from Utah has taken a position several times which would indicate that he believes the committee of the Senate has more power than the Senate. I never can agree to such a proposition.

Mr. OVERMAN. The Senator is highly technical, at least.

Mr. SMOOT. I should like very much to have the Chair rule on the question and let us see whether the Senator from Utah is highly technical.

Mr. TOWNSEND. Mr. President, is there anything before the Senate now?

The VICE PRESIDENT. There is nothing before the Senate at the present time; but, as the question has arisen, the Chair believes that the law is that a bill can not be paid out of the contingent fund of the Senate without the matter having been referred to the Committee to Audit and Control the Contingent Expenses of the Senate and favorably reported upon. But that is not the real question. The Chair has a recollection of changes in the amount reported by the committee heretofore. The committee reported \$500 to employ a financial expert. The amendment adopted does not strike out \$500 and insert \$1,038 50, but is an entirely different resolution. The Chair cares nothing about it beyond the fact that the Chair does not want this to be taken as a precedent established by the Chair.

VOLUNTEER OFFICERS' RETIRED LIST.

Mr. TOWNSEND. I move to take up Senate bill 392.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan to proceed to the consideration of Senate bill 392.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 392) to create in the War Department and Navy Department, respectively, a roll designated as "the Civil War volunteer officers' retired list," to authorize placing thereon with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|-------------|----------------|--------------|----------|
| Ashurst | Jones | Overman | Smoot |
| Bankhead | Kern | Page | Sterling |
| Bryan | Lane | Perkins | Stone |
| Burton | Lewis | Poinexter | Townsend |
| Chamberlain | Lippitt | Pomerene | Vardaman |
| Chilton | McCumber | Reed | Walsh |
| Crawford | McLean | Root | West |
| Culberson | Martin, Va. | Shafroth | White |
| Fletcher | Martine, N. J. | Sheppard | Williams |
| Gore | Myers | Shively | |
| Hollis | Nelson | Smith, Ariz. | |
| Johnson | O'Gorman | Smith, Ga. | |

Mr. PAGE. I wish to announce the unavoidable absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH]. I will let this announcement stand for the day.

Mr. MARTIN of Virginia. I was requested to state that the junior Senator from Kentucky [Mr. CAMDEN] is detained from the Senate by sickness.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. DE PONT, Mr. RANDELL, Mr. SAULSBURY, Mr. THOMPSON, and Mr. THORNTON answered to their names when called.

Mr. LEWIS. I desire to announce the absence of the Senator from Tennessee, caused by illness in his family.

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent, and is paired with the junior Senator from Missouri [Mr. REED]. This announcement may stand for all votes to be taken to-day.

Mr. BORAH and Mr. BRADY entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call. There is a quorum present. The question is on the amendment of the Senator from Michigan [Mr. TOWNSEND] to the amendment of the committee. The Secretary will state the amendment and the amendment to the amendment.

The SECRETARY. On page 2, line 18, the committee proposes to strike out "resignation, or otherwise" and insert "or for disability." The Senator from Michigan [Mr. TOWNSEND] proposes a substitute for the amendment by striking out the words, in lines 17 and 18, "by muster out, resignation, or otherwise, or" and inserting the words "for disability."

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

Mr. SMITH of Georgia. May the amendment be stated once more? I did not catch it fully.

The VICE PRESIDENT. The Secretary will restate the amendment and the amendment to the amendment.

Mr. SMITH of Georgia. Let the whole clause be read in full, so as to show the connection.

The SECRETARY. On page 2, line 18, the committee proposes to strike out the words "resignation, or otherwise" and insert "or for disability," so as to read:

Provided, That a surviving officer who lost an eye, an arm, or a leg in the line of duty, or who was honorably discharged from service by muster out or for disability, because of a wound or other bodily injury received or incurred in the line of duty, or because of disability incurred in the line of duty while a prisoner of war, shall, if otherwise eligible under the terms hereof, be entitled to be placed on said list and to receive the maximum retired pay herein provided for officers of his former rank, without regard to the length of his said service.

The Senator from Michigan [Mr. TOWNSEND] moves as a substitute, in line 17, after the word "service," to strike out the words "by muster out, resignation, or otherwise, or," so as to read:

Provided, That a surviving officer who lost an eye, an arm, or a leg in the line of duty, or who was honorably discharged from service for disability because of a wound or other bodily injury received—

And so forth.

Mr. SMITH of Georgia. Will the Senator state just what the effect of the change is?

Mr. TOWNSEND. I explained that yesterday, but I am very willing to go over it again.

This is like another amendment later on, which applies to officers of the Regular Army. With the amendment adopted by the committee striking out the words "resignation or otherwise," an officer who resigned—who was not mustered out, but who resigned—because of disability or wounds received in the service would not be included in the benefits covered by the bill. A man would be honorably discharged even though he resigned for such causes as I have stated. I want that class of soldiers included. The man who was wounded and resigned, and therefore is honorably discharged, under Army regulations is entitled to the same benefits that he would have been entitled to under the same circumstances if he had been mustered out. Those who went to the trouble of being mustered out after they were wounded would receive the benefits, but the soldier who was wounded, who resigned, and was allowed to go home would not if those three words were stricken out and if the words "mustered out" were not also stricken out.

Mr. SMITH of Georgia. Would it necessarily be true that the officer who was wounded and resigned because he was unable to continue duty—

Mr. TOWNSEND. Such an officer could not be honorably discharged in any other way.

Mr. SMITH of Georgia. He could not be honorably discharged unless wounds compelled him to retire from the service?

Mr. TOWNSEND. That is right.

Mr. SMITH of Georgia. And in each case he would be compelled to retire from the service. The only difference would be, though both would be compelled to retire, one would be mustered out and the other would not.

Mr. TOWNSEND. Exactly. I think the amendment was intended to cover that when it said "or for disability"; but I felt as though it ought to be made clear, and that if we were to strike out in one place we ought to strike out in the other.

The VICE PRESIDENT. The question is on the amendment of the Senator from Michigan [Mr. TOWNSEND] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Military Affairs was, on page 3, line 19, after the words "muster out," to strike out "resignation, or otherwise," and to insert "or for disability."

Mr. TOWNSEND. That is the same amendment.

Mr. DU PONT. Mr. President, I think the bill is defective, because it refers to the muster out of regular officers of the Army, Navy, or Marine Corps, and they are not mustered out.

Mr. TOWNSEND. I move the same amendment I suggested a moment ago—that those words be stricken out, because they are simply confusing and mean nothing.

Mr. DU PONT. They mean nothing.

The VICE PRESIDENT. The amendment to the amendment suggested by the Senator from Michigan will be stated.

The SECRETARY. On page 3, line 19, after the word "service," it is proposed to strike out the words "by muster out, resignation, or otherwise, or," and to insert "for disability."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 4, line 24, after the word "officer," to strike out "three-fourths" and to insert "one-half," so as to read:

The retired pay provided for by this act shall begin upon the date of the passage of this act and continue during the natural life of the beneficiary; it shall be payable quarterly, and shall not exceed, in the case of any surviving officer, one-half of the initial active pay now received by a captain in the United States Army.

Mr. TOWNSEND. Mr. President, I am not going to detain the Senate by a discussion of that amendment, except to state why I hope it will not be agreed to.

Three-fourths of a captain's pay is \$1,800; one-half of a captain's pay is \$1,200. I had felt that three-fourths was none too much as a maximum. The law for the retirement of officers of the Revolutionary War provided that the maximum of any officer should not exceed the full pay for a captain. This amendment will make a difference with all officers above the rank of captain, but will not change the compensation of those below captain. It would, however, affect lieutenant generals if there were any officers of that rank living. The last one has died while this bill has been pending. So there is no officer of that rank. It will affect major generals.

I do not know just how many major generals there now are, but I do know that on the 12th of August, 1912, there were but two, and there were 12 brigadier generals and 150 colonels. I think it is perfectly safe to say that one-third or more of those men are now dead. If there is a major general now living, under the bill as proposed to be amended by the committee he would receive \$1,200; as introduced by me, carrying three-fourths pay, he would receive \$1,800. That is true of a major general and a colonel. With those men it would make a difference of \$600 a year each. I feel that \$1,800 is not too great a sum for these grand old officers to receive.

Without further discussion I am very willing to submit the question to a vote.

Mr. SMITH of Georgia. Have we not already adopted the committee amendments to the bill?

Mr. TOWNSEND. We have not.

Mr. SMITH of Georgia. Have we not voted upon the committee amendments?

Mr. TOWNSEND. We have not voted upon them all. I will ask that the pending committee amendment be not agreed to.

The VICE PRESIDENT. The question is on the amendment proposed by the committee.

Mr. BRYAN. Mr. President, I desire to ask the Senator from Michigan if the amounts estimated in the committee hearings by representatives of the Department of the Interior were based upon one-half or three-fourths of a captain's pay?

Mr. TOWNSEND. The last report was based on one-half and the former report was based on the provision contained in the bill.

Mr. BRYAN. On page 29 of the hearings the department estimates that this bill, without the deduction, would involve an expenditure of \$3,993,563. That amount ought to be increased by one-half if the Senate disagrees to the Senate committee amendment. Is that correct?

Mr. TOWNSEND. No. The estimate in August, 1914, based upon the report of 1912, however, on the supposition at that time that there were the number of officers of high rank—

Mr. BRYAN. I do not care to get into the number of officers, if the Senator please; but these figures were based upon either half of a captain's pay or three-fourths of a captain's pay, and I ask the Senator which was the basis?

Mr. SMITH of Georgia. The Senator from Michigan said it was one-half.

Mr. BRYAN. The Senator said it was based on three-fourths of a captain's pay.

Mr. TOWNSEND. The last report was based on the proposition that the maximum was one-half of a captain's pay.

Mr. BRYAN. Then, whatever amount they arrived at should have 50 per cent added to it. That would be the result if the Senate should disagree to this amendment.

Mr. TOWNSEND. I can answer that very clearly.

Mr. DU PONT. Mr. President—

Mr. TOWNSEND. I yield to the Senator from Delaware.

Mr. DU PONT. I think the Senator from Florida is wrong. I think the increase is one-fourth. The original bill was three-fourths. Now it has been reduced to one-half, which is two-fourths. So that the only question at issue is one-fourth, and not one-half, as the Senator from Florida says.

Mr. BRYAN. Is not one-fourth one-half of 50 per cent?

Mr. DU PONT. I thought the Senator meant the total estimate provided for.

Mr. TOWNSEND. The detailed estimate of the department—which is absolutely erroneous, as I can demonstrate—but assuming for this question that it was correct, is that the committee amendment, as to maximum pay; that is, the reduction from three-fourths of a captain's pay to one-half of such pay, and the last committee amendment, excluding officers whose income is \$2,400 or more per annum, would reduce the amount carried by the bill by \$800,000.

Mr. BRYAN. How is that?

Mr. TOWNSEND. It would make a difference of \$800,000 in their estimate.

Mr. BRYAN. How much does the Senator think would be saved if the proviso on page 5, precluding officers who have an annual income of \$2,400, were adopted?

Mr. TOWNSEND. There was an estimate, I repeat, made by the department that that, with the other item, namely, reducing the amount from three-quarters the pay of a captain to one-half the pay of a captain, would make a difference of \$800,000.

Mr. BRYAN. Now, can the Senator divide those items—

Mr. TOWNSEND. I can not without taking some time to determine it.

Mr. BRYAN. And state how much would be saved if we do not allow officers who have an annual income of \$2,400 to share in the benefits of this act?

Mr. TOWNSEND. I can not. I can simply say that the statement that a great majority of the officers who would be benefited by the bill are very wealthy is very erroneous; it is not true.

Mr. WHITE. Mr. President, what evidence have we as to the financial circumstances of the proposed beneficiaries of this act?

Mr. TOWNSEND. We have none. We have no testimony on that subject.

Mr. WHITE. Then, pensions under this bill may be granted to men who are worth hundreds of thousands of dollars.

Mr. TOWNSEND. It is possible that some officers may receive payments under this bill who are in that class, but they are very, very rare. I have had my attention called to hundreds of cases where the officers are poverty stricken. I have letters in my possession showing that some of these officers who held high rank in the Army are in soldiers' homes, receiving the benefits of such institutions.

Mr. WHITE. Then, may I inquire what would be the objection to limiting pensions under this bill to men whose incomes do not exceed, say, \$1,000 or \$1,200 annually?

Mr. TOWNSEND. The committee has prepared an amendment limiting the beneficiaries under the act to those whose income is less than \$2,400. I do not like that amendment. If, however, the Senate believes that is a proper way to legislate on a question of this character, I shall not argue with the Senate about it; but I do not believe it is the right policy to pursue. I believe it would be unwise and unjust to adopt a rule for the distribution of benefits and the recognition of merit which uses income as a standard. It has never been done in any other case. It is not done in the matter of pensions. It should not be done in this case.

Mr. WHITE. Does the Senator think that pensions should be granted to men who are worth hundreds of thousands of dollars?

Mr. TOWNSEND. I doubt if I myself would accept a pension under those circumstances. But this is more than a pension that we are proposing to grant now. It is a proposition to confer a badge of honor. It is a recognition of the volunteer officers of the United States, and it should be a recognition of all of them. I want to have them all treated in the same way.

Mr. WHITE. Then, Mr. President, why not put the non-commissioned officers and the privates in the same class by including them in this bill?

Mr. TOWNSEND. I do not care to go into that subject with the Senator, as it was discussed fully yesterday, and is not pertinent to the matter under consideration.

Mr. WHITE. It is a question that I would like to have the Senator answer if he can give any good reason for it. I am not opposed to giving needy Federal soldiers pensions; on the contrary, I am heartily in favor of it; but I do not think that a soldier who is worth hundreds of thousands of dollars should be permitted to deplete the fund that should go to help needy soldiers who performed just as arduous service and made just as many sacrifices as did the men of wealth and rank.

Mr. TOWNSEND. I have been ready at all times to vote any pension for the soldier of whatever rank. I am glad the Senator is so generous when such a measure as he suggests is not before the Senate. I hope if a real opportunity comes he will still feel as he now does. But this is a bill framed in accordance with the provisions of a law which has heretofore been enacted by the American Congress, and in this case it seems to me the recognition of their services has been neglected. That is the whole of this bill. It is not intended to adjust differences in pensions; it is not intended to reach any other class than the ones specifically provided for. The Senator must know that it could not cover all the volunteer soldiers. It takes nothing away from any other soldier. Any bill that may be presented here upon its merits to provide for any class of soldiers will receive my hearty support.

Mr. WHITE. Mr. President, the Senator says it does not take anything away from any other soldier. Does not that other soldier have to contribute by payment of taxes to the payment of the amount proposed to be given to these retired volunteer officers?

Mr. TOWNSEND. Possibly, in some cases, but he does not object.

Mr. WHITE. How do we know? Are we the ones to determine for him that question?

Mr. TOWNSEND. I can only answer from my own experience and my own knowledge of the situation. I know that the officers have been foremost in all efforts in the past to secure pensions for the common soldiers. I know that is true, and I do not believe that the soldiers who served in the ranks and followed their officers in war are now finding fault with the provisions which at a belated date keep at least partially the Nation's faith with those officers.

Mr. WHITE. That may be, Mr. President, but we are here as the representatives of all—private soldiers and of the non-commissioned officers, as well as of the officers of higher rank. Some of us know that the private soldiers did not in many ways fare so well during that struggle as did the officers of higher rank. Some of us know that private soldiers suffered even more hardships, and encountered quite as many dangers, and that they received vastly less pay. As a rule they were poorer men, and did not have the influence such as money gives to elect them to offices. They went to war not for the purpose of elevating themselves in rank, or with a view of obtaining distinction, but they gathered around the flag for the sake of their country; they defended the flag because it was the flag of their country, and I do not think those men ought to be taxed now for the benefit of others who are already provided for. I do not feel that it is quite right to put still further burdens upon them to further enrich men in the higher ranks who may be, and so far as we know are, in possession of vast fortunes.

Mr. DU PONT. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Delaware?

Mr. WHITE. Certainly.

Mr. DU PONT. Mr. President, I should like to say to the Senator from Alabama that the distinction between officers and enlisted men, which includes noncommissioned officers, of course, in regard to their service, is based not on their record as soldiers and on their personal bravery, but on the simple fact that the officer has a largely increased responsibility which the enlisted man has not. That increased responsibility is not only pecuniary in its character, for the officers are responsible to the Government for a great deal of property, some of them for enormous amounts, but it includes personal responsibility in battle. He is responsible for the lives of his men, for their safety, and their direction, and in that point of view he is on an entirely different plane from the enlisted men. That has been the basis, in my opinion, for the differentiation that has always been made, in preceding legislation, between officers and enlisted men.

Mr. WHITE. Yes, Mr. President; but I thought this was a roll of honor, nothing sordid about it; that we were not compensating men at all; that they had already obtained their compensation in the greater pay they received while in the

service; that this bill only conferred distinction by placing these officers on a roll of honor.

Mr. President, I do not think this is the place for us to compensate for responsibilities that were paid for during the war by the increased salaries of those men over the salaries of the privates. I understood, while the generals were receiving thousands of dollars annually as compensation, and the privates were receiving a mere pittance and were facing the enemy in the trenches, or perhaps without trenches, that they too were sharing the responsibilities imposed upon soldiers. About the gravest responsibility that rests upon generals or private soldiers in battle is the responsibility of standing up in the face of the enemy and meeting the cold steel as it is pressed against their breasts or taking the deadly grape and canister as they tear their way down the line of battle. The responsibility of the private soldier, sir, is greater than that of the general who stood back in the rear and moved him as a pawn on the chess-board of war. I think the time has come at last, Mr. President, when Congress should take some interest in the men who staked all they had in that war and who showed their patriotism for their country by serving it as privates.

Why, even in my own section of the country, where we do not grant pensions and where we did not draw pay while in service—the section which was on the other side of that unfortunate struggle—the officers fared better than the men, while they were not in fact paid much more. They promised them more. They did not, however, get much more. [Laughter.] They got better quarters and had a better time.

My friend at my left [Mr. BRYAN] asks whether I was an officer or a private. Why, Mr. President, it has taken even my State 50 years to send a private soldier to the United States Senate. [Laughter.] He has just arrived. We have been rewarding our generals and our colonels with offices, but have not given them pensions. We gave them seats in Congress. Our country has at last arisen from its lethargy, its sleep over the rights of the private soldier, and has said that one of them at least should occupy a seat in the Senate for a very short time [laughter]; that he should enjoy the honor for a limited period before he died.

Mr. WILLIAMS. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. WHITE. I do.

Mr. WILLIAMS. If the Senator will pardon me for an interruption in the interest of history, I do not want Alabama to take any of the garlands to which Mississippi is entitled. Mississippi sent a private to the National Legislature some 18 years ago.

Mr. WHITE. I said to the Senate.

Mr. WILLIAMS. Well, he never reached the Senate, although he ran for it; but Mississippi recognized the private soldier.

Mr. WHITE. I am talking about the Senate and I am talking about a private soldier from Mississippi. It is one of them that has the honor to stand before you now.

Mr. WILLIAMS. I understand; but the two Houses are upon an equal plane of dignity—the Senate and the House.

Mr. WHITE. I did not think so when I became a candidate for the office. [Laughter.] I preferred the Senate.

Mr. WILLIAMS. Well, they are—

Mr. WHITE. I do not see how my friend from Mississippi thinks so when he accepted a commission in this body and laid down one in the other. [Laughter.]

Mr. WILLIAMS. Mr. President, if the Senator will permit me to finish the sentence before he so eloquently counterinterrupts—

Mr. WHITE. Certainly.

Mr. WILLIAMS. I do not want history to record the fact without the explanation that Mississippi had long, long years ago sent a private to the National Legislature, both Houses of which are of equal dignity, and that that was a fact so well known that he became known all over the country as "Private John Allen." There was for a little time an impression that John was the only private that had been left in the Confederate Army. That turned out to be an error later on.

Now, I see that even when Alabama sent a private to the Senate she picked out an ex-Mississippian for that purpose; so that Mississippi claims credit all along the line.

Mr. WHITE. I thank the Senator from Mississippi.

Mr. LEWIS. Mr. President, may I be permitted to add—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. WHITE. In just one moment. I want to say to the Senator from Mississippi that I was present in the convention when the private from Mississippi got his name. His name

came in response to a speech that I was making in favor of a brigadier general. I was trying to get him in Congress then. I knew they had to come before the privates got here, and I was appealing to the convention in behalf of this brigadier general. When I got through another man arose in the convention and said that his man did not sleep in the tent at night but that he paced to and fro in front of it with a storm of snow and sleet falling upon him, and that it was the crack of Private John Allen's rifle that rang out on the clear, crisp, frosty morning and spread terror in the camp of the enemy. It was then and there he got his name. I helped give it to him, and I honor him.

Now I yield to the Senator from Illinois.

Mr. LEWIS. It was not my desire to interrupt this felicitous exchange between Mississippi and Alabama; but desiring to have the bill reach a vote, if possible, I desired merely to interject that which will be generally understood by the Senate—that this private matter between Mississippi and Alabama has resulted in a public compliment both to the Senate and to the House.

Mr. WHITE. I thank the Senator from Illinois.

Mr. President, I have been somewhat diverted from the thought I was trying to give expression to, and that was that this bill, instead of being an honor roll, is a roll of discrimination, a rank discrimination in favor of commissioned officers who held the higher rank, who received the greater pay, who endured fewer of the hardships and encountered less of the perils as against noncommissioned officers and privates. I am speaking, sir, for the private Union soldiers. I know what they were. I met them on the line. I faced them on the field. I saw a great deal more of them than I saw of the officers. It was their line of cold, deadly steel our side dreaded to meet. It was not the flash of the general's sword that made us hesitate. We saw it gleam in the sunshine, we saw the stars as they glittered upon his collar; but they had no terrors for us; we knew when real danger approached it was when privates faced privates, one holding aloft the Stars and Stripes, the other waving over his head the Stars and Bars.

Yes, Mr. President; they are the men we fought; they are the men who died with us on the field; they are the men we honor; they are the men, while once our enemies, we Confederates really love. I had no quarrel with the private soldier. He and I were both placed there in response to the call from our sections. Our sections called both of us. His section called him; my section called me. We went there in response to duty's call. We went there not expecting honors or pay, and up to date we have gotten neither as others have. We were not paid on our side. I never drew a dollar in my life for service; and really, Mr. President, I was far removed from the commissary. [Laughter.] If it had not been for the colored men who accompanied us and served with us in the war and did our foraging we doubtless would have starved. I never will forget them. They were good foragers, and they foraged for good fighters. How can I forget them now? Why, they enabled us, sir, for three long years to continue that struggle. They did that, too, when it was apparent to everyone that remaining with us meant their continued slavery, while their desertion would have been rewarded with freedom; and yet they stayed with us, and by their labor supplied our armies in the field; they went with us to the field and continued by our sides in battle; they carried the bodies of our dead heroes back to the homes, mingled their tears with the tears of their mothers, their wives, and their children at their graves, for they wept as sincerely and as truly as did the families over these matchless soldiers as they were laid to rest.

Mr. President, I do not and will not oppose a measure that will give pensions to deserving Union soldiers in need—yes, I will even go further and pension them whenever their circumstances are such that they can not obtain not only the necessities but some of the comforts of life. I will vote to give them liberal pensions; but, Mr. President, I am not here to make men richer who are rich already. I am not here to pile up wealth in the hands of some men when it means merely an increase of wealth for them, when their circumstances are such as do not make it necessary to furnish them with the comforts of life. I think the time has come at last, Mr. President, when we should pay every Union soldier for all that he did, and then go further and give him a pension when in fact he needs it; but I do not believe it is right to tax all of the Union soldiers of the Nation and all the noncommissioned officers of the Civil War in order to pile up wealth in the hands of a few when the Senator in charge of the bill can not inform us whether they are millionaires or not. He says he is without information, that he has no knowledge on the subject. I think it is time

that we should stop and inquire as to the circumstances of the officers who are now drawing pensions before granting more.

Mr. SMITH of Georgia. Mr. President, I wish to ask the Senator a question, and I was just trying to do so when another matter was injected into the debate.

On page 29 of the report of the hearing I find this estimate given under this bill:

Net retired pay, \$8,993,568.

Now, that is based, according to the estimate, on 50 per cent of the salary, the captain's salary being the highest; is it not?

Mr. TOWNSEND. I think it is so based.

Mr. SMITH of Georgia. The amendment the Senator is offering will change it from one-half to three-fourths?

Mr. TOWNSEND. Yes. I want to retain the provision of the bill which is three-fourths.

Mr. SMITH of Georgia. As one-half is two-fourths, of course it would add just one-half as much as the bill already carries?

Mr. TOWNSEND. Yes.

Mr. SMITH of Georgia. And if this estimate of \$8,993,568 were right, it would change the appropriation to \$13,490,352. It would add \$4,496,784.

Mr. TOWNSEND. The Senator is wrong, very wrong, about that. As I said a moment ago, the provision relating to one-half pay and three-quarters pay could only affect those officers above the grade of captain, because under the bill, whether you have the one-half provision or the three-quarters provision, they get one-half of the pay of their highest rank unless in one case that one-half is greater than one-half of a captain's pay and in the other case it is greater than three-quarters of a captain's pay. Now, the great majority of the officers are those below the higher grades. The Secretary of the Interior makes the estimates that that reduction from three-quarters to one-half, plus the saving that would come if we adopt the last amendment cutting out those officers who have an income of \$2,400 or more a year, amounts, all told, or did at that time, to \$800,000. That would be the reduction, he said, from the amount carried by the original bill.

Mr. SMITH of Georgia. His estimate is that limiting the compensation to those who have not an income of \$2,400 would make a reduction of \$800,000?

Mr. TOWNSEND. No, sir; that the reduction from three-quarters of the pay of a captain, on the part of those who would receive benefit under the bill as originally introduced, to one-half the pay of a captain, plus the saving in the last amendment, would amount to \$800,000.

Mr. SMITH of Georgia. Have those two figures been separated, so that we could consider them separately?

Mr. TOWNSEND. He did not separate them. He put them in a lump sum.

Mr. SMITH of Georgia. Eliminating for the time being the suggested amendment, which will cut off from pensions those who have incomes of over \$2,400—

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Mr. TOWNSEND. I desire to answer the Senator from Georgia.

Mr. SMITH of Georgia. I had not finished my question.

Mr. TOWNSEND. I would be glad to have the Senator do it, if he wishes.

Mr. SMITH of Georgia. I suppose the bill will be up tomorrow.

Mr. TOWNSEND. I propose to discuss that feature now.

Mr. SMITH of Georgia. I appreciate the Senator's doing so. This is what I wanted to ask the Senator. Eliminating the consideration of those who have an income of \$2,400 or more, then the inaccuracy of my suggestion that it would add four million and odd dollars is that as to quite a number of officers one-half their pay—I was just considering it while I was talking—would be more than three-fourths of the pay of a captain.

Mr. TOWNSEND. It would be less than three-fourths of a captain's pay.

Mr. SMITH of Georgia. No.

Mr. TOWNSEND. Yes.

Mr. SMITH of Georgia. For an officer who is above a captain one-half of his pay would be more than three-fourths that of a captain.

Mr. TOWNSEND. That is right.

Mr. SMITH of Georgia. Therefore increasing it to three-fourths that of a captain would increase it beyond one-half the pay of his present rank.

Mr. TOWNSEND. I do not think the Senate yet understands just the difference.

Mr. SMITH of Georgia. I really do not. I am just trying to understand it.

Mr. TOWNSEND. I think the Senator has absolutely reversed the situation, but I think I can make it clear to him.

In the first place, allow me to state that when the report was made to which the Senator refers, it was based upon the condition that existed August 20, 1912. At that time there were 2 major generals, 12 brigadier generals, and 150 colonels. Those officers would each receive \$600 more per annum under the maximum of three-fourths of a captain's pay than they would receive were the maximum one-half of a captain's pay.

There are a very limited number of those among the present 14,000 officers. Less than 500 officers would be affected by this difference in the maximum pay. If we knew the number who have died since August, 1912, we could tell exactly how many men would receive the additional \$600 a year, and therefore could determine the total amount. Not knowing this, it is impossible to state accurately, but I believe it is safe to say that the larger maximum would not increase the total benefits in excess of \$20,000. It might amount to \$60,000. I state this rather at random. I can not say very positively that I am even approximately correct, but knowing the number of surviving officers and their rank the amount can be determined accurately.

Now, Mr. President, I want to say just a word, because I recognize that whenever I get the bill up it is going to be delayed, and I do not want to be a party to such delay. I have not felt like answering the poor arguments which have been made against the measure, for by so doing I should delay the vote upon it. Now that it has been laid aside for the day I wish briefly to refer to some statements which have been made against it.

I quite agree with the Senator from Alabama [Mr. WHITE].

Mr. WALSH. Mr. President—

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Michigan yield to the Senator from Montana?

Mr. TOWNSEND. I do.

Mr. WALSH. I understand the measure before the Senate is the unfinished business—the Alaska coal-leasing bill.

Mr. TOWNSEND. I understand that.

Mr. WALSH. I rose to inquire of the Senator from Michigan about how long he intends to address himself to the measure which was before the Senate when the hour of 2 o'clock arrived?

Mr. TOWNSEND. Very briefly, if not interrupted. I simply wish to refer to the question—

Mr. WALSH. The Senator will recall that the friends of the other bill gave him whatever support they could—at least some of them did—to get his bill before the Senate, upon the assumption—at least, I speak personally—that the morning hour would be consumed on that subject and then the Alaska coal-leasing bill would receive the consideration of the Senate.

Mr. TOWNSEND. The Senator is absolutely correct about that, and I think I have demonstrated that I do not wish to interfere with his measure. I have not moved, as I could have moved, to take up the volunteer officers' retirement bill and proceed with it to the delay of the Alaska bill. I know that a majority of the Senate are in favor of my bill, but when I have gotten it up, as Senators know, the floor has been occupied until the morning hour has expired. I have occupied no time in discussing it; and now, in order to save time, I desire briefly to answer a few things that have been said this morning and that were said yesterday in reference to the bill, which I had no opportunity to answer, hoping it will save time to-morrow. I shall not delay action on the coal-leasing bill unduly.

Mr. WALSH. I thought possibly the Senator, in view of the support we gave him to get his bill up, might be prompted to defer the further consideration of the measure until to-morrow.

Mr. TOWNSEND. I prefer to proceed briefly in reference to the matter now.

I was discussing the question of cost. I do not believe that a fair determination of all the facts in the case will show that this bill will cost to exceed \$6,000,000. I do not believe it will cost that amount. I have considered it as an emergency measure because it has occurred to me that we are under obligations to these officers to do something for them, and if we put it off the beneficiaries will be so few that no practical benefit can come to them.

It is economy, or at least justice, for the Government to keep its faith with the men who mustered, drilled, and led the Union forces in the Civil War. A majority of this Senate is,

I believe, ready to do this. Every month that this duty is deferred hundreds of those who have waited so long pass beyond the possibility of benefit. Some Government projects of merit can wait for attention. They can be attended to later as well as now; but if we are to recognize the volunteer officers, we must do it before they die. Most of them have already died, and the balance are passing at the rate of 12 per cent a year, and that per cent is constantly increasing.

I rose, however, to say in answer to the Senator from Alabama [Mr. WHITE] that I join with him in whatever he has said in commendation and praise of the common soldier. He has my admiration and my gratitude. I have favored every attempt to increase his benefits in the past, and shall gladly aid him in the future. If I thought this bill in any manner detracted from his benefit or from what he is entitled to receive, I would not press it for a moment; but it does not. He will get no more or less if this bill passes.

I shall endeavor to keep this bill before the Senate until it is acted upon. I will not, however, delay the unfinished business at this time.

ALASKA COAL LANDS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Mr. BORAH. Mr. President, I have a very great respect for the present Secretary of the Interior and for his judgment. I understand that this bill has met in a large measure, if not entirely, with his approval, and that is the strongest argument to my mind, in favor of it. But I am unable to support the bill in its present form and I am going to state briefly the reasons why.

I do not believe, in the first place, that any benefit will be derived from this bill, so far as the ultimate consumer of this product is concerned. There are two great objects in the conservation proposition to be attained; first, the prevention of waste and the prevention of the destruction of our natural resources; and second, to so conserve those natural resources that the benefits coming from the natural resources will inure to the public generally.

One of the great things to be accomplished in dealing with the development of our coal fields is to secure cheaper coal to the man who buys the coal for his personal use, the ultimate consumer as we are prone to say.

No one contends, I understand, that the leasing system has ever resulted in any benefit in the way of cheapening the product to the ultimate consumer. In the very nature of things, Mr. President, it would not likely be any cheaper when mined under a lease than when mined by private ownership. But the experience of such countries as have the leasing system is all to the effect that while it may result in a revenue to the Government and has in those respects some things to commend it to those who believe in deriving a revenue in this way, it has never resulted in any benefit whatever to those who must purchase coal and use it. Indeed, the experience has been that it has resulted in a higher price being charged for the product, especially coal, than when owned and mined by private corporations.

Certainly, Mr. President, if it has not resulted in cheaper coal to the consumer it will also have to be conceded that it does not result in the more economical development of the coal mines or the more economical working of the coal mines.

The greatest waste of our natural resources has been under the leasing system wherever it has obtained. It results, in the first place, almost invariably in what is called the gutting of the mine, the digging it out and working the best portion of it and leaving it untimbered or unprotected, making the most that can be made during the life of the lease. That has been universally proved so far as my reading goes with reference to the experience of those countries which have had leasing systems. In the time when we had a leasing system in this country our experience with reference to leasing mines was very thoroughly covered by the Senator from Colorado [Mr. SHAFROTH]. I am not about to enter upon a discussion of it again, because he seems to have said all that there is to be said upon the subject.

But this point is well established by the facts that, instead of preventing waste, instead of preventing the destruction of our natural resources, the leasing system has invariably resulted in the greater waste of our natural resources.

I think everyone's individual experience would lead to that conclusion, for who ever rented a house and went back to look at it a year afterwards and recognized it from its appearance? It is not according to the ordinary principles of human conduct and human action to take as much care of that which you are working solely for the purpose of getting something out of, and then leaving it, as there is when you are working some-

thing which belongs to you, and by wasting you thereby deplete your own estate.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER (Mr. MYERS in the chair). Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I do.

Mr. WILLIAMS. I should like to ask the Senator from Idaho a question. I know very little about the subject matter dealt with by the bill, and I have been seeking information more by talking to Senators privately than by listening to public speaking. I learned long ago that frequently you get more information in that way.

The Senator just said what appeared to be a truism, of course, that a man takes better care of what is his own than he does of a thing which he has leased; that in the latter case he is more apt to dig out the rich part and spoil it and leave the problematical part of it in the ground. But in talking about that with Senators yesterday I was informed that in the State of Tennessee there is hardly a man who operates a mine who is a mine owner, that they all work upon the leasing system, and that a majority of the coal mines in Alabama are worked by lessees; that the landlord prevents the evils to which the Senator has referred, and which undoubtedly in the natural course of affairs would take place, by the stipulations of the lease; and that under this bill the Government would do that. What about that?

Mr. BORAH. I think the waste which naturally arises from the working of a mine under the leasing system can be in a measure prevented by these regulations, but only in a measure, and, in my judgment, a small measure.

Mr. WILLIAMS. Now, one word before the Senator answers fully, because this is a part of it. I am informed that it is not unusual to reserve the rights of the landlord to state where the shaft shall be sunk and when the vein shall be left before a new one is struck. Does not that seem to the Senator to be a provision which would be fully preventive of the trouble that otherwise might be apprehended?

Mr. BORAH. Of course I do not know how successfully the leasing system has been in Tennessee and Alabama. I do know that during my practice as an attorney for 15 or 20 years in the mining region I was attorney for mine owners and for men who leased mines, and I know it was almost the invariable experience of those who leased the mines to be thoroughly dissatisfied with the way the mine was worked, not only with reference to the fact that they dug out the rich pockets in spite of anything that could be done, but that the timbering is bad and done in a negligent way.

Mr. WILLIAMS. Where?

Mr. BORAH. In all parts of the West.

Mr. SHAFROTH. Mr. President, I have always felt that if Senators heard the arguments upon this side of the question there would be no question about the defeat of the coal-leasing bill.

The PRESIDING OFFICER. The Senator from Idaho has the floor. Does the Senator from Colorado ask the Senator from Idaho to yield?

Mr. SHAFROTH. He yields. I want to say that I know the Senator from Idaho has some elegant arguments, and there are very few Senators to hear him. I think every Senator ought to hear him, and I suggest the absence of a quorum.

Mr. BORAH. I hope the Senator will not suggest the absence of a quorum, as I am going to speak only briefly.

Mr. SHAFROTH. I think they will hear the Senator. They might not hear everyone, but I think they will hear him. If it is not objectionable to the Senator from Idaho, I should like to call for a quorum, because I should like them to hear his argument.

The PRESIDING OFFICER. The Senator from Colorado suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|-------------|----------------|-------------|--------------|
| Bankhead | Jones | Overman | Smith, Ariz. |
| Borah | Kenyon | Pace | Smith, Ga. |
| Brady | Kern | Perkins | Smoot |
| Bryan | Lane | Pittman | Thompson |
| Burton | Lewis | Polindexter | Thornton |
| Chamberlain | McCumber | Reed | Vardaman |
| Chilton | Martin, Va. | Saulsbury | Walsh |
| Cullbertson | Martine, N. J. | Shafroth | West |
| Fletcher | Myers | Sheppard | White |
| Hollis | Nelson | Shively | Williams |
| Johnson | O'Gorman | Simmons | |

Mr. PITTMAN. I wish to announce the unavoidable absence of the Senator from Kentucky [Mr. JAMES]. He is paired

with the junior Senator from Massachusetts [Mr. WEEKS]. This announcement may stand for the day.

Mr. LEWIS. I desire to make again the announcement, and that it may remain for the day that the Senator from Tennessee [Mr. LEA] is absent from the Chamber, his absence being required by sickness in his family.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE].

I also desire to announce the unavoidable absence of the Senator from Wyoming [Mr. WARREN] on account of illness. I am informed that he will be in the city and attend the Senate the coming week.

I also wish to announce the necessary absence of the senior Senator from New Hampshire [Mr. GALLINGER], who is paired with the junior Senator from New York [Mr. O'GORMAN].

The PRESIDING OFFICER. Forty-three Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. RANDELL, Mr. ROBINSON, Mr. STELLING, and Mr. TOWNSEND answered to their names when called.

Mr. SHAFROTH. I wish to announce the absence of my colleague [Mr. THOMAS] by leave of the Senate, and to state that he is paired with the senior Senator from New York [Mr. ROOT].

Mr. STONE and Mr. GORE entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Forty-nine Senators have answered to their names. A quorum is present. The Senator from Idaho.

Mr. BORAH. Mr. President, I was saying that the leasing system had never resulted in any cheaper commodity for the user. I have made some investigation with reference to the matter where other countries have invoked this system, and in no instance have I been able to ascertain any advantage arising to the individual who was a user of the commodity which was covered by the lease. If we are not going to get any cheaper coal by reason of a leasing system, if there is no method or means in this system by which to protect the ultimate consumer in the price of coal, the great object of the entire system of conservation, it seems to me, will inevitably be defeated by this measure. If the people along the Pacific coast or the people who are to be the users of the Alaskan coal, if it shall be developed to be a useful and a desirable coal, are still to be at the mercy of the lessees with reference to price, what possible advantage will be derived from inaugurating a leasing system? It does not make very much difference to me who charges the price if the price is just the same regardless of who fixes it. In my opinion, instead of this bill taking the power to charge away from those who are now supposed to be desirous of creating a monopoly and fixing the price, it will leave it within their hands and under their control as completely as it would be under the private ownership system.

The second proposition, to which I had called attention, was that of the prevention of waste. One of the fundamental principles of conservation is that of preserving our natural resources, of making them go as far as it is possible for them to go, to utilize them for the best purposes and to the fullest extent possible. Of all of the systems of which I have any knowledge with reference to operating mines, the leasing system is the most wasteful, the most destructive of the material in the mines, and the most calculated to destroy the mines as a whole. I do not believe that that proposition will be disputed by anyone who is familiar with mining in the mining regions. Whether it is gold, silver, iron, or whatever it may be, the leasing system is a wasteful one and destructive of the very resources which it is our intense desire to preserve. So, Mr. President, if the price-fixing power is the same, if the ultimate consumer is left unprotected, if the waste is not prevented, and if economy is not enforced, what possible advantage can be derived from the leasing system?

It may be said that it will prevent these mines from going into the hands of individual owners who may form combinations, create monopolies, and thereby fix prices, but if I understand this bill correctly, in my judgment the evils which will flow from this system will be no less than under private ownership.

But there is one other feature, Mr. President, which may to some people seem a seductive proposition, so far as this bill and the leasing system are concerned; that is, the question of establishing a basis ultimately for securing a large revenue from the users of these natural products in the West. That was the reason for the establishment of a leasing system in this

country, which was tried many years ago and abandoned. While it is not true with reference to all who advocate the leasing system, it has had a vast amount to do with the propaganda of starting the leasing system in this country, and that is to muster a revenue upon these resources and turn it into the Treasury of the United States.

Well, Mr. President, that must inevitably result in the end in passing the payment of that revenue, whatever may be the amount of it, over to the man who purchases the coal. No one need believe for a moment that whatever duty is placed upon it or whatever rental is paid or whatever revenue is collected will not be visited in nine-tenths of its amount, at least, upon the man who purchases the coal. That will go also as a burden upon the ultimate consumer or the man who purchases it. It is simply another form of tax upon the public.

I want to quote a single paragraph, which has already been quoted in this debate, but for the purpose of commenting on it briefly I quote it again—President Polk said:

The system of granting leases has proved to be not only unprofitable to the Government but unsatisfactory to the citizens who have gone upon the lands, and must, if continued, lay the foundation of much future difficulty.

President Polk did not in specific terms mention one of the difficulties, perhaps because it was a presidential message; but one of the things which undermined and destroyed the leasing system of President Polk's time was the almost incalculable amount of corruption which was connected with the letting of those leases, the securing of them, and so forth. Of course that could have no reference to any particular individual or to any particular time; but it is one of the things which grow up in connection with a leasing system, where parties must go to the Government to secure desirable leases and advantageous stipulations and those things which will make his lease a success. It was one of the things which led to the abandonment of the leasing system at that time; and in time it would come to have its effect upon any leasing system.

President Fillmore said:

I was at first inclined to favor the system of leasing, as it seemed to promise the largest revenue to the Government and to afford the best security against monopolies.

Mr. President, it neither afforded a desirable revenue to the Government nor prevented monopoly. It accomplished neither one of the purposes for which it was inaugurated. The price which was paid by those who used the article was not diminished, and the control of the product through the lessees was as complete in the end as it would have been through and by a private individual.

I do not understand, Mr. President, how it is possible for the Congress of the United States to more effectually control a lessee than to control an owner of a property. If we can dictate to a lessee what he may do or what he may not do, we have the power, through congressional legislation and administrative officers, to dictate to the owner in the Territories what he may do and what he may not do. We can fix the price for one just as effectually, if we desire to do so, as for the other.

It is a false view, to my way of thinking and viewing it, to suppose that a lessee is more nearly under our control than the owner would be. But, Mr. President, let us assume that it does result in a good revenue-paying proposition, what is the result? Who pays the revenue? Who must in the end meet the extra charge which is placed upon it? Mr. President, when this leasing system is completely developed it will be an extra and a special tax upon those States where those natural resources are located as against no tax in the States where they are not located. Of course that would not be so completely true with reference to coal, because it will be shipped possibly into other States; but if the leasing system is started, and we cover the question of power development, of coal, of timber, and of all other natural resources in those particular States where the public lands now exist, as well as in the Territories, it will result in an extra burden and an extra tax upon those States, which the other States have passed from under by reason of the fact that they have passed their natural resources to private ownership.

Mr. President, we appropriated here a while ago quite a sum of money for the building of a railroad in Alaska. It is my opinion that if this leasing system works at all, if it is effective and produces any result, if men go in there and develop those mines under a leasing system, it will not be the pioneer developer of mines, as we know him and have known him in the western country; it will not be, as is supposed by some, the man of small means or the man of limited means, but it will be the man of vast wealth against whom we are supposed to be legislating.

A vast amount has been said with reference to the Guggenheims in Alaska, and yet, in my judgment, under this leasing

system, if anybody operates at all, it will have to be some people with wealth such as those men are supposed to possess. Think of a man, Mr. President, with a limited amount of means going into Alaska to undertake to develop a mine under a leasing system, where he could neither secure capital nor support from financiers nor, in any way, cooperation by reason of the fact that he was under a lease. If a man discovers a mine and spends the long dreary winters in developing it, endures hardships and suffering, as the pioneers have done; if he owns the mine, he can secure aid from those who will assist him in developing it, and in the end may make a success of his mine; but no man of limited means can secure any such cooperation or aid under a leasing system under which his lease or his rights thereunder may be terminated at any time because of a violation of rules and regulations which may be established by the department. If we adopt a leasing system, when we have built the Alaskan railroad we shall have built it not for the benefit of those whom we supposed we were building it for—the pioneer, the individual discoverer of the mine, the prospector—but we will have built it for those who will come to Washington to pioneer and prospect, not in Alaska, but in a department in Washington for an advantageous contract under which to work coal mines in Alaska.

Mr. SHEPPARD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. I yield.

Mr. SHEPPARD. Do I understand the Senator to say that under this bill the lease may be terminated at any time?

Mr. BORAH. I assume that under this bill a lease could be terminated at any time for a violation of any of the rules and regulations of the department with reference to it.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield.

Mr. PITTMAN. I think the Senator from Idaho is slightly mistaken as to the terms of the bill. This bill provides that certain conditions may be incorporated in the lease. Of course, if those conditions are violated, the lease may be forfeited; but I do not understand that the bill provides that any subsequent regulation or any regulation in conflict with the terms of the lease may be used as a ground of forfeiture. If so, the bill should certainly be amended, because as a member of the committee I tried to avoid that very defect. The House bill had that defect in it, but the Senate bill has not.

Mr. BORAH. Mr. President, the Senator's statement is no doubt correct, as he is a member of the committee which reported the bill, but his statement would not change the force and effect of my argument, because if there was a failure to comply with the conditions imposed in the original lease a forfeiture would be worked, the same as a forfeiture would be worked by a failure to comply with the rules and regulations prescribed by the Department of the Interior.

Mr. JONES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I yield.

Mr. JONES. I will call the Senator's attention and also the attention of the Senator from Nevada, although he is probably familiar with it, to a clause in section 14 which to me seems rather peculiar. The first part of the section provides for a forfeiture by court proceedings, and then there is this provision:

And the lease may provide for the enforcement of other appropriate remedies for breach of specified conditions thereof.

I take it that the Secretary of the Interior, if he should insist upon it, might put conditions in the lease by which forfeiture could be enforced without any court proceedings or anything of the sort.

Mr. BORAH. I would suspect that that might be done under the capacity of the department here to construe statutes.

But, I might be asked, what would you do with the coal lands of Alaska? Well, Mr. President, if we have arrived at the time where we have not the capacity to discriminate between the fraudulent and the valid and the bona fide prospector, if we are prepared to concede as a people that we can not discriminate and distinguish between the man who has gone into Alaska in good faith to secure and develop a mine and the man who has gone there fraudulently, perhaps it is well that we abandon the old system which has prevailed in this country so long, and under which the whole United States has been developed, and adopt some other system. In my judgment, it would be perfectly practicable to determine what mines are located under the law in a valid and legal way and to permit people to develop those mines. If it were necessary to guard

against combinations of mine owners or understandings or agreements concerning prices, that situation could be cared for as effectually by legislation as by imposing conditions in the body of a lease.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Florida?

Mr. BORAH. I yield.

Mr. FLETCHER. While the Senator is on this subject, I desire to call his attention to a provision of the act of May 28, 1908, which reads as follows:

That all persons, their heirs or assigns, who have in good faith personally or by an attorney in fact made locations of coal land in the Territory of Alaska in their own interest, prior to November 12, 1906, or in accordance with circular of instructions issued by the Secretary of the Interior May 16, 1907, may consolidate their said claims or locations by including in a single claim, location, or purchase not to exceed 2,560 acres of contiguous lands.

That is the extent of the consolidation now allowed by law, as I understand.

Mr. SHAFROTH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. SHAFROTH. I think it might be well to remind the Senator from Florida that under that law people who have made valid locations upon coal lands and whose claims are not contested have been trying for five years to get patents upon them, but have not been able to do so.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield.

Mr. PITTMAN. I do not like to interrupt the Senator any more than I can help, but this bill protects existing rights, or at least it attempts to do so. There has been offered or will be offered by the Senator from Washington an amendment which will greatly strengthen that. His amendment is to the effect that existing claims of right must be adjudicated by the Land Department within one year after the passage of this bill.

Mr. SHAFROTH. That is not in the bill now, is it?

Mr. PITTMAN. Such an amendment will be offered, as I understand, by the Senator from Washington and will be accepted by the committee.

Mr. SHAFROTH. I am very glad of that.

Mr. PITTMAN. It is such an excellent provision that it should apply to all the land laws of the United States.

Mr. BORAH. Mr. President, in view of the fact that we are to build a railroad in Alaska, as I have said, if we are not prepared to let coal mines there be developed by private owners who have acquired valid claims and control the product and output of the mines, I do not hesitate to say that, rather than see a leasing system, I should prefer to see the Government of the United States itself enter upon the development of those mines. I should prefer to see the Government undertake to develop those coal fields and to work the coal mines, so as to ascertain whether or not the Government can control the price of coal and advantageously develop our natural resources, particularly coal mines.

There is no difference, in my judgment, between building a railroad for the purpose of opening up a way to the mines and affording an outlet to the mines and operating the mines themselves. Of course the disadvantage of Government operation would perhaps be that the revenue which it is proposed to get from the mines would not be forthcoming; but my desire, as I suppose is the desire of everyone interested in the bill, is to see the great natural resources put down to the people at a reasonable price so that they can have the advantage of this great natural product. But I have not a particle of doubt that the people, under the leasing system, will pay more for coal than they have ever paid to private individuals. If that is not true, it will be the first time in the history of the leasing system, so far as I know, when it has not been true. Pray, what is the advantage of leaving the consumer to the mercy of the lessee, of leaving him where he may be charged with whatever the lessee may see fit to charge him, and building a railroad for the aid of the lessor and the lessee?

Mr. President, I would not oppose this particular measure with any degree of persistence if it were not for the fact that, of course, we all realize that it is but the beginning; that the leasing system is to be spread out over all the States where any natural resources lie undeveloped and where there are any public lands or mineral lands yet to be occupied. This is the first step in the direction of a complete leasing system for all the public-land States, including power and timber and gold,

silver, coal, and other mines; and likewise all that vast system of natural resources, including grazing lands, are to be placed under a leasing system by which there will be derived a revenue to the Treasury, which revenue will be paid by the parties using the land for grazing purposes or using the mines for mining purposes, or those who purchase the article; and it will be a tax upon the public-land States which the other States of the Union do not now have to bear. For that reason we may well prepare to meet the issue at the threshold.

Mr. President, it has been said here that the people of Alaska are very desirous of this legislation because of the unfortunate conditions which prevail in Alaska. I do not believe that the people of Alaska want this bill. I think that some people who have interests in Alaska want the bill, but I do not think the people who live in Alaska, who are there bona fide for the development of Alaska, who have pioneered that forbidden region, are desirous of this measure. I have never had any message from Alaska from any private citizen in favor of this bill. As much as the people there deplore the situation and the condition of affairs which confronts them, so far as I am advised—and my correspondence with Alaska has been rather large for the last few years upon this subject—I do not believe that, with one single exception—and in that case the letter was not written in Alaska, although the party had interests in Alaska—they were in favor of this measure. They do not believe that it will result in benefiting the man who is a bona fide citizen of Alaska; they do not believe that it will result in aiding the honest development of Alaska; they believe it will result in an absentee-landlord system, by which people who live in Washington or in New York or in other places may secure advantageous leases, or as advantageous as possible, and work them without ever seeing Alaska or having anything to do with Alaska. All they will be concerned about and all they will be interested in will be to secure a lease, to get the most they can out of the mine, and then depart from the country when their mine is gutted. There never was a country in the world, whether old or new, that was developed in a bona fide way under an absentee-landlord system.

Mr. SHAFROTH. Mr. President, if the Senator will yield to me—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. SHAFROTH. I should like read a resolution that was presented to Secretary Fisher, of the last administration, when he went to Alaska to look into the affairs of that Territory. This is the resolution:

Primarily, Alaska demands and needs the same right of untrammelled development that has been accorded to every other Territory of the United States pioneered by Americans. Alaskans ask that American citizens and all other industrious men be permitted to create property for themselves out of the limitless resources of this vast Territory, unhampered by bureaucratic dictation and interference. The people of Alaska are a unit in opposition to Federal landlordism over its mines, forests, and water power.

The doctrine that the Federal Government, 5,000 miles away, knows better what is good for Alaska than the pioneers who have spent years within its boundaries is a political heresy that can not long stand before the enlightened sense of justice which characterizes the American people. If left to herself, Alaska would enact laws for her government and development with the same intelligence and regard for natural right that was shown by the early immigrants into the Pacific and Mountain States, of whom Justice Field said in a judicial opinion:

"Wherever they went they carried with them that love of order and system and of fair dealing which are the prominent characteristics of our people."

And here follows this declaration:

This just and generous Government has been succeeded by one that seeks to create a distant landlordism over Alaska. This policy, if continued, will forever stunt the development of the Territory. Men born under republican institutions will not long remain where they have to get permission of a Government agent to transact business. The garrotting of Alaska by the last two national administrations has stopped its growth, decreased its population, and financially ruined many men who had not anticipated that the great National Government would make Alaska the dumping ground of eastern political fads.

Mr. President, that was a declaration presented by the citizens of Valdez to Secretary Fisher when he went there for the purpose of determining what should be done in Alaska, and this report says that it was unanimously adopted by those people.

Mr. BORAH. Mr. President, we may get a suggestion as to how this system will operate, and the extent to which it will build up an absentee landlord system, by what has already happened in Alaska with reference to these fraudulent claims about which much has been said, and as to some of them justly said, undoubtedly; but the men who worked that proposition did not themselves go to Alaska. If they went, it was upon a summer's vacation. They were never seeking to acquire homes or resi-

dences or permanent habitations in Alaska, to build up civil government, to build up schools and churches and communities. They simply employed some dummy, some one to go there and represent them, locate the mine, acquire title if possible, and enable them from a distance—New York or Chicago, or some other point—to develop the mine. Why should we encourage and make easier the absentee system, as a leasing system will?

Mr. President, unwittingly, not designedly, of course—because I know that the people who are urging this bill are acting in as good faith with reference to the development of Alaska as those who are opposed to it—unwittingly it will result in just that kind of an operation but upon a different plan. The man who wants to operate a mine in Alaska will never have to go to Alaska at all. He will take no part in the local and civil affairs of the Government. He will not be interested at all in building up the community, in erecting churches and courthouses, and those things which are incidental to modern civilization. He will simply have one thing in view, and that is the advantageous working for a year, or 10 years, or 25 years, of a valuable mine.

When you put the power capacity of Alaska, and the timber of Alaska, and the coal mines of Alaska, and the gold and silver mines of Alaska under a leasing system you have no one in Alaska except the poor fellow who goes into the mines, at a forced wage, to work them out; and the profits will inure to those who take no part in exploiting, exploring, developing, and building up a great new State.

Mr. WALSH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WALSH. I desire to inquire of the Senator what period he conceives to be the ordinary life of a coal mine.

Mr. BORAH. Why, it is immaterial. I do not know what the ordinary life of a coal mine is; but it is immaterial. It might be, if it was a good mine, 50 years or 100 years.

Mr. WALSH. The Senator was speaking about something in the nature of a very temporary occupancy.

Mr. BORAH. No; I was not speaking of a temporary occupancy. I was speaking of nonoccupancy. The lessor never goes there at all. I said that he would be anxious to work out his mine, and if he could work it out in 10 or 15 or 25 years he would do it. It might take him a hundred years; but if it was a thousand he would never go there.

Mr. WALSH. Would it make any difference whether he had a leasehold interest or an interest in fee?

Mr. BORAH. I think it makes a vast amount of difference in the development of the country whether it has a landlord-and-tenant system or whether it is owned by the people who are interested in it.

Mr. WALSH. That is the general question, but I was speaking about the matter of the man going to Alaska. Would he be more likely to go if he had the fee or if he had a 50 years' leasehold interest?

Mr. BORAH. How often do the landlords of England go to Ireland?

Mr. WALSH. Oh, well, Mr. President, that inquiry seems to me quite irrelevant.

Mr. BORAH. It may be, but rather suggestive.

Mr. WALSH. The landlord who goes to Ireland or does not go to Ireland owns the fee. He owns the property absolutely. The man we are speaking about, the landlord, is not that man. It is the lessee that you are speaking about now. He is the man who, you say, will not go to Alaska.

Mr. BORAH. Exactly; because we make it wholly unnecessary for him to go at any time.

Mr. WALSH. So the inquiry as to how often the landlord goes to Ireland does not seem to be very relevant to the inquiry. The point I wanted to direct the attention of the Senator to was this: He is endeavoring to establish the proposition that under a limited leasehold interest the lessee would not go to Alaska, and thus constitute himself an essential integer in the life of the community. I inquire of him simply if he would be more likely to do so if he had the fee than if he had a 50 years' leasehold interest?

Mr. BORAH. I have no doubt about it myself, judging from observation. Why, there is nothing to take the lessee there. If he comes to Washington, he gets his lease. He is not concerned about the property as a man would be if he owned it—wanted to look it over and wanted to see that it was properly cared for. He is interested in just one proposition, and that is getting as good a lease as he can at Washington and getting the internals out of the mine as quickly as he can. The Senator from Montana knows that one of the things against which we have had to contend in the western country is these great

mine operators who come out and gut our mines and go to Europe or New York or somewhere else to live just as soon as it is over.

Mr. WALSH. Yes; and on yesterday I called the attention of the Senate to the fact that the Colorado Fuel & Iron Co. owned a hundred thousand acres of coal land in the State of Colorado. The principal owners of that property live in the city of New York. Mr. John D. Rockefeller, jr., is one of the directors of the corporation.

Mr. BORAH. Does the Senator think that if Mr. Rockefeller can come to New York or come to Washington and get a lease he will spend as much time in Alaska as Mr. Rockefeller now, according to the newspapers, spends in Colorado? Mr. Rockefeller has his home in New York, but I notice that for the last few months he has been personally present a good deal in Colorado.

Mr. WALSH. The Senator from Montana takes the position that Mr. Rockefeller will spend just exactly as much time in Colorado if he is a lessee as if he is the owner in fee; no more and no less.

Mr. BORAH. The Senator from Montana draws that conclusion. I entertain a different opinion. Does the Senator from Montana think that a man who is a mere leaseholder has the same ties connecting him with the country that a man has who owns a piece of property?

Mr. WALSH. Mr. President, the Senator from Montana takes this view:

The vast extent of lands in this or any other country are agricultural in character. I want every man to own the piece of land that he cultivates. No one has ever suggested the application of a leasing system to agricultural lands.

The Senator a moment ago referred to the leasing of the gold and silver mines of Alaska. No one, so far as I have ever heard, has even suggested the leasing of metallic mines. The principle is applicable chiefly to coal, oil, and gas, which are the sources of power that is at the foundation of all modern industry.

I say to the Senator that I do not see any reason on earth why a man should not take just as much interest in a piece of property on which he holds a leasehold for 30 years or for 50 years as if he owned it in fee. Indeed, in my own judgment, nine-tenths of the coal mines will be worked out in less time than that.

Mr. SHAFROTH. Mr. President, if the Senator will allow me—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. SHAFROTH. The Senator from Montana said that he had never heard it suggested that there should be a leasing proposition as to mines of the precious metals. I want to state to him that if he will read the proceedings of what are called "conservation conventions" he will find to the contrary. The resolution adopted at Kansas City was directly in favor of that; and not only that, but the Senator will find that at the Minneapolis convention the Chief Forester at that time said that that was the ultimate result of the policy.

Mr. BORAH. Not only that, but the Socialist Party declared in favor of that in the last campaign; and in view of the rapid strides which both of the old parties are making toward socialism, we have no reason to suppose they will not take it up at the next campaign.

Mr. WALSH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WALSH. Let me inquire whether that was not a principle that they sought to apply to all of the mines of the country, regardless of public ownership? Did it not have special reference to the mines of Pennsylvania, which are now held in private ownership?

Mr. BORAH. No; I understood that, of course, they believed in the ownership of all those mines, but I understood that they distinguished at the present time with reference to those which now belong to the Government, because the step is so much more easily taken.

Mr. WALSH. If so, my attention has not been called to it. I have a very distinct recollection about some resolutions adopted by some such political organization having special reference to the ownership of mines in the State of Pennsylvania.

Mr. BORAH. Oh, I am sure they did not limit it to Pennsylvania. I am quite sure I am correct; but that is immaterial. As the Senator from Colorado says, "That has been the doctrine of the advanced conservationists for some time." Not only that,

but there is a report on file in the office of the Secretary of the Interior, if I remember correctly, or Agriculture, which deprecates the granting of title to these agricultural lands, and says that when a piece of land passes over to an individual it is lost to the people forever. That is practically the language which is used.

Mr. WALSH. A report from where?

Mr. BORAH. It was a report which was filed in the Interior Department, I think, or Agriculture Department, by Mr. Pinchot. It might have been an address, but I think not.

Mr. WALSH. I thought I had followed the literature of the subject quite accurately, but I had never heard such an idea heretofore advanced from any source. I shall be glad, indeed, if the Senator from Colorado will call my attention to the resolutions of even the ultraconservationists upon the proposition of the leasing of metallic mines.

Mr. WEST. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I do.

Mr. WEST. Was that an expression coming from Senator Pinchot with reference to agricultural lands?

Mr. BORAH. Senator Pinchot?

Mr. WEST. Yes, sir—Mr. Pinchot, I should have said.

Mr. BORAH. The Senator seems to be anticipating.

Mr. WEST. Did not the Senator say it was in a report which was filed by him?

Mr. BORAH. Yes. I think it was either a speech or a report made by him upon the subject. It was debated here at one time, and attention called to it upon the floor of the Senate by my late colleague, Mr. Heyburn, who seldom overlooked anything of that kind.

Mr. President, as I said a moment ago, I would prefer to see the Government enter upon the development of these mines itself. I would prefer to see the Government undertake to do what it is doing with reference to the railroads in Alaska rather than to see it enter upon the leasing system. If I thought the people of Alaska desired, owing to their present conditions, this particular leasing system, I would feel like standing out of the way and letting them experiment; I would be willing to risk the judgment of those who are on the ground and who know most about the situation. However much I might disapprove of their view or their judgment, I would be willing to let them experiment with it, so far as Alaska is concerned. As I said a moment ago, however, I doubt very much if it is the desire of the people of Alaska to have this system at this time. My information has been to the contrary. When we come to apply it to the States, however, the public-land States, the leasing of our grazing lands and of our power sites and of our timberlands, and so forth, the matter will undoubtedly receive further hearing at the hands of the western people.

Mr. POINDEXTER. Mr. President, I am interested in the adoption of this measure in some form. I favor some changes in it; but if it is not practicable to make those changes, I expect to vote for and urge the adoption of the measure as an improvement over present conditions.

It is quite an enlightening commentary on the conflict of views and diversity of interests represented in this body to consider the reasons which have been stated here by different Senators with reference to their attitude toward this bill. The Senator from Colorado [Mr. SHAFROTH] made a very learned and comprehensive speech on the general question of the policy of the United States with reference to its lands and resources in general, and particularly in opposition to what has come to be called, in a rather loose and inaccurate sense at times, "conservation." He is opposed to this bill, as I infer from his remarks, because of his opposition to what is called conservation, because of his opposition to the "continued interference," as he calls it, by the Government with private ownership.

Mr. SHAFROTH. That is only partially my objection to it.

Mr. POINDEXTER. That is one of the Senator's objections to it. On the other hand, the Senator from Idaho [Mr. BORAH], whose position in regard to the bill as it stands I do not know, except from what he has just said, very severely criticizes the bill, entertaining the same views that the Senator from Colorado does on the subject of conservation, and yet he is of the opinion that it would be better for the Government to operate these mines itself—the very extreme of the policy which the Senator from Colorado opposes.

The Senator from New Jersey [Mr. MARTINE] opposes the bill because it does not provide exclusively for Government ownership and operation. The Senator from Colorado [Mr. SHAFROTH] opposes the bill because the Government has anything whatever to do with it as a lessor, and would oppose it still more strongly if it provided exclusively for Government

operation. There are other Senators who are opposed to the bill because it contains any measure of private operation or private control of coal lands and coal mining, and still others who are opposed to it because it contains any measure whatever of Government control over the operation of coal mines. So we are confronted by two groups of Senators opposing the bill upon opposite and extreme grounds.

The argument which the Senator from Colorado has made in regard to the reservation of the public lands by the Government is nothing more or less than a recrudescence of Ballingerism, as it was called during the campaign when that matter was a current question before the country; and the same propositions which the Senator from Colorado advances here were advanced in every public-land State, and debated upon the hustings, and decided one way or the other by the people at the polls, in so far as they have an opportunity of deciding any issue which is involved in an election.

The peculiar result of the Senator's attitude is that while he is attacking the orders of the Government reserving "temporarily"—as he quoted himself from the order—the coal lands of Alaska and the forest lands of the States, in some instances, so far as the practical question before the Senate is concerned, he stands here and fights against the adoption of a bill which is intended to relieve the country from the consequences of the withdrawal of these coal lands. They were withdrawn temporarily, pending the adoption of some policy for their use and operation.

A measure is now presented, after careful consideration by a committee, providing for a policy for the use and operation of these lands, so that the people can get the benefit of them, and which, in so far as the objects with which it deals are concerned, amounts to a canceling of the orders of withdrawal which the Senator from Colorado attacked with so much vehemence. Yet we see the strange spectacle of the Senator opposing the very bill which is intended to relieve us from the conditions which he has criticized on this and some other occasions. I fail to see, Mr. President, the logic of his position.

Mr. SHAFROTH. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. I yield to the Senator.

Mr. SHAFROTH. I will state to the Senator the reason why I oppose this bill. I think it fastens upon the people a system which is so much worse than anything that can be conceived in the way of the handling of the public lands that I feel it is to the interest of my people, and my duty as a Senator, to oppose it.

Mr. POINDEXTER. The Senator, then, would prefer that this withdrawal of the public lands from any entry whatever should continue, depriving the people of any benefit from these resources of coal, however great their needs for them may be, rather than to establish a leasing system?

Mr. SHAFROTH. Why, Mr. President, when you consider that the proclamations withdrawing these lands were in violation of law, how can you expect the Senate to pass a bill to relieve that situation?

Mr. POINDEXTER. Mr. President, whether or not these orders were in violation of law, they are now, if we pass this bill, so far as the subject matter with which it deals is concerned, *functus officio*. They have accomplished their purpose, and what is the use of occupying the time of the Senate with discussing the proposition whether the orders of withdrawal made some 10 years ago, and which it is now proposed in effect to repeal by the passage of this bill, were lawful at the time they were passed? There are more practical questions to occupy the time of the Senate.

Mr. SHAFROTH. Of course the authority exists right now to repeal them in 10 minutes by Executive order or by order of the Interior Department.

Mr. JONES. Mr. President—

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Washington yield to his colleague?

Mr. POINDEXTER. I yield to my colleague.

Mr. JONES. I just wanted to suggest, in connection with that matter, that my understanding is that these orders—conceding that they were illegal in the first instance—were practically ratified afterwards by an act passed by Congress, under which the President was expressly authorized to make these withdrawals.

Mr. SHAFROTH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. I do.

Mr. SHAFROTH. And the word "temporary" is in that law.

Mr. JONES. Oh, yes. The question is, What is temporary?

Mr. SHAFROTH. Yes; what is temporary?

Mr. JONES. In the life of a nation, 8 or 10 years is a very short period.

Mr. WALSH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Montana?

Mr. POINDEXTER. I yield to the Senator.

Mr. WALSH. Now that this subject is before the Senate, I am reminded that on yesterday I was interrogated by the Senator from Colorado as to whether I did not believe these orders were void. I fear that I did not give a direct answer to the question.

I wish to say now that I should not like to have it assumed, by reason of the course of this debate, that it is the general conviction of the Members of this body that those orders were void. I do not think the President of the United States has any power to withdraw lands in order that Congress may pass different legislation; but the President has the authority to withdraw lands from entry, and having the unquestioned right under the law to make withdrawals I do not concede that the orders of withdrawal were void because he put them on the wrong ground.

Mr. SHAFROTH. They are not void unquestionably, because they are in force.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. Mr. President, I stated yesterday that I had no doubt about the validity of these Executive withdrawals. My colleague has just stated that they have at least been confirmed by Congress. In my judgment they were valid before they were confirmed. They were subject to this consideration at all times, however, that the lands contained in them could be eliminated by an act of Congress. The Executive could not in any way assume to dispose permanently of the public lands upon any policy or system devised by him. They were subject at all times to whatever policy should be adopted by the people as they expressed themselves in the ordinary channels of Government, and Congress at any time that it was of the opinion that the withdrawals made by the President were operating against the public interest, could, if it saw fit, have canceled the withdrawals and thrown the land by act of Congress open to settlement. But it did not do that, and we have now come to a time when it proposes to do it. That is the effect and purpose of this bill.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Idaho?

Mr. POINDEXTER. I will yield after adding this word. That being the case, the burden of the argument of the Senator from Colorado being an attack upon these Executive withdrawals, it is utterly inconsistent for him, so far as that is concerned, to stand up and oppose a bill which proposes to relieve the lands from those withdrawals. I yield to the Senator from Idaho.

Mr. BORAH. As the Senator from Washington has perhaps well said, we are discussing a proposition which has passed into history—that is, as to whether or not these withdrawals are valid—but it might very easily arise again, because at the time these lands were withdrawn the policy of the Government had been defined by Congress under the public-land laws of the United States. They were subject to entry. Congress had determined how they should be entered and under what terms and conditions title might be acquired, but those laws with reference to the manner and method of acquiring title were suspended by the withdrawal.

Mr. POINDEXTER. As near as I can ascertain the objection, at least on the part of some to this bill, it is that it changes the former policy of the Government with reference to our public lands. Some of the Senators who are opposing it have stated that the laws which were in force at the time the withdrawals were made were sufficient for all the needs of the occasion. Now, what was the result of that state of affairs? The result was that so far as the State of Colorado is concerned we are confronted here with what I think is a humiliating spectacle, of a State which makes the proud boast that it is a sovereign State of the American Union begging the Government of the United States to send its Army into her borders to protect her people and to preserve order in controversies which are arising on account of the power of companies which have monopolized her coal lands and on account of absentee landlordism. The Senator delivered a good many eloquent strictures upon absentee landlordism. He seems to draw the conclusion that the policy with reference to the public lands which leaves in the hands of the people, operating through their Government, some lever by which they can control the

use of those lands in the interest of the public rather than their hoarding or their waste in the interest of private aggrandizement is absentee landlordism. He said that would be avoided if the public resources of the country are thrown open practically without restriction to the taking of whoever might have power or whoever might have the shrewdness—in all the ways which are exploited in the courts under criminal charges—to acquire monopoly of our public land, our timberlands, and our coal lands, with the result which I have just stated in the State of Colorado which the Senator so ably represents.

Now, what was the result in Alaska of the operation of these laws which the Senator said were sufficient for all purposes? The result was that these withdrawals were made as an emergency matter to protect these vast resources belonging to all the people, for the benefit of the people, and for the use of this and other generations, because there is enough there, if the control of them is preserved in the hands of the Government, for many generations. Then what was the condition? That this great Territory of Alaska was being developed, it is true. It was being developed by a process of assimilation. It was being developed in exactly the same way that a fawn is developed as it takes its slow course through the alimentary canal of an anaconda.

The coal lands of Alaska were on the point of being secured by what was known as the Alaska Syndicate. The transportation of that Territory was already controlled by that syndicate. All the water fronts of its harbors were owned by that syndicate. The entire business of the country was operated by that syndicate. Its fisheries were exploited by it; its copper mines were controlled by it. The only people who derived benefit from that state of affairs were its beneficiaries and its agents, to whom it doled out so much as it chose of reward or benefits to its attorneys, its gunmen, and others, whom it used as agents for the oppression, sometimes by violence, of those who undertook in any way to oppose them.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Idaho?

Mr. POINDEXTER. I yield.

Mr. BORAH. If the Senator be correct in his conclusion as to the fact that that Territory was being exploited in a fraudulent way and through the connivance and manipulation of the department here at Washington, you have to come back to that same question upon this leasing proposition. There could not have been a single foot of that territory acquired in Alaska through fraud, through corruption, except through either the connivance or neglect and mismanagement of the department in Washington. The Senator will remember that the fraud was being consummated, if at all, in the department at Washington; and the Senator will remember that the Oregon land frauds were all consummated by open corruption in the department at Washington, if at all. Why will the department at Washington be any less corrupt in granting leases and the advantages of leases and in forbidding men to gut the mines and to leave the Territory without taking care of the mines? Why should they be any less careful in protecting leases than in protecting the title to the land? Will a department officer feel the exhilaration of an uncommon virtue when a lease lies before him which virtue he never felt when a patent lay before him?

Mr. POINDEXTER. Mr. President, in my judgment, there are a number of answers to that proposition. One of them brings me into agreement with the Senator from Idaho as to the proper disposition of this matter. But, first, I will say that the holding of the title to the land by the Government, with a clear and simple provision that any restraint of trade, any combination forming a monopoly, or any condition of transportation which results in a monopoly will be punished by the forfeiture of the lease, will enable the department at Washington to prevent that sort of a condition which they would be unable to prevent after the title had passed out of their hands—not a lease, such as I understand the conference report which has already been made upon the antitrust bill, containing no penalty, but a mere empty fulmination against combinations and restraints of trade as being all that the Government has to rely upon. But if a private company owns the land it is the master of the situation.

Mr. BORAH. I agree with the Senator that that would be true if we knew that the man who was executing that lease would not be afflicted with the same tendency to favor somebody as it is supposed somebody was favored who was getting the title. But the Senator must realize that we are finally putting this whole thing through all the course of the years in the department at Washington. We always pass over the present incumbent of the office when we are discussing the integrity of an officer, and I pass him over now, not as a mat-

ter of courtesy but because I know and everybody knows that under the present Secretary of the Interior in all probability no such thing would happen. But we are establishing a system which is to grow up and form a part of our departmental system and our bureaucratic system, and I can not understand why we are to suppose that a Secretary of the Interior will be more vigilant and faithful in executing a lease than in protecting the title to a mine.

Mr. POINDEXTER. Mr. President, the ingenuity of man never devised a scheme of government that was not subject to abuse, and there is no probability—

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Florida?

Mr. POINDEXTER. In just a moment. There is no probability of solving the Alaska coal problem in any such way as will remove all possibility of abuse or of injustice. Furthermore, any system which may be devised under a corrupt administration of any one of these bureaus which the Senators have criticized—and in many of their criticisms I agree so far as the administrative features are concerned—will be unsatisfactory.

The question, however, must resolve itself into one of two systems, either the Government must let go of these lands entirely without any attempt to curb the avarice of private operators who would use these great resources to oppress instead of to benefit the people, or, upon the other hand, private ownership and operation should be excluded and the Government itself representing the people should operate the mines. If the Government does that, then we are confronted by the same possibility of inefficiency and dishonesty in Government that we are confronted with under any system. I yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, at this point I was going to suggest something somewhat in line with what the Senator from Washington has just uttered. I will call attention first to the fact that we pursued the policy of allowing entries of coal lands for Alaska to the extent of 40 or 80 or 160 acres for a great many years. In other words, the land laws of the United States applicable to coal lands were extended to Alaska. That did not open up the country. The resources remained there just as they had remained for centuries, and there was no prospect of any development in Alaska. The argument was made then that no man would put his money into a coal field located somewhere on 40 acres of land; that the area was not large enough. Subsequently Congress amended the law and extended the provisions so that it permitted the entries to be combined to the amount of 2,560 acres. The Senator from Colorado properly stated when I mentioned that a few minutes ago that under that system there has been no development of these resources in Alaska, and I quite agree—

Mr. SHAFROTH. Because, Mr. President—

The PRESIDING OFFICER. Will the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. I have yielded to the Senator from Florida, who is making a statement.

Mr. SHAFROTH. It is simply because the orders of withdrawal are still in force, and you can not take up claims when there is a withdrawal order on the land.

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. FLETCHER. Under that policy there was no real development of these coal lands. Speculators came in after a while and we found Mr. Cunningham making 33 entries in Alaska and gathering 5,300 acres of land, I believe. Those entries created contests, and they were set aside.

I believe we will concede that the great natural resources of Alaska ought to be developed and not stored up forever undeveloped. They ought to be developed for the people who are here, who are now living on earth, and not be retained for generations that may come a thousand years from now in Alaska. They ought to be developed for the benefit of people generally and not for the benefit of the few who might be able under any system. It seems to me, but the leasing system to get in there and monopolize those great coal fields. That was the danger under the system that existed heretofore. It was the whole tendency under the law before the lands were withdrawn that these great resources were being centered into the hands of a few people, and a monopoly was created not only with reference to the coal lands, but with reference to transportation in Alaska, just as the Senator from Washington has said. It has been the effort to prevent that sort of thing, and you can not prevent it if you are going to open these lands for sale, or if you are going to allow entries to be made and combined and manipu-

lated as they were being combined and manipulated under the old system.

I suggest that to the Senator from Washington as another argument why we ought to give a fair trial to this leasing system as a possible method of developing these resources for the benefit of all the people and not for the benefit of the few and as a possible method of preventing monopolistic control of these resources in Alaska.

Mr. SHAFROTH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. SHAFROTH. I should like—

Mr. POINDEXTER. I will yield a little later.

Mr. SHAFROTH. All right.

Mr. POINDEXTER. The purpose of this bill, of course, is to allow these resources which are so urgently needed by those people to be used, and in that respect it is entirely in harmony with the purpose for which the lands were originally withdrawn. They were not withdrawn for the purpose of depriving the people of the use of them; they were withdrawn so as to insure that the people of Alaska and other people who are within reach of these coal mines, when they should come to be operated, should get the benefit of them. How can they get the benefit of them? They will not get the benefit of them by operating the mines. The ordinary man in Alaska or on the Pacific coast can not operate a coal mine. The ordinary man there will not have a factory or a smelter for which he will want to buy coal to operate his factory. How are the people going to be benefited? A few of them—a handful—might be benefited by hiring themselves out as laborers in the operation of the mines. But that is not the great interest. The great interest to be considered is the great public—the masses of the people. What good will the opening of these mines do them? What benefit will come to them from throwing open, as the Senator from Colorado would have done, these great resources? There is only one way in which benefit could come to them, and that way is the opportunity to purchase coal at a lower price. The consumers, whether they are large consumers or small consumers, if they are enabled to get this article for the purposes for which they need it cheaper than they can get it now, will be benefited by the opening of coal mines in Alaska, and if they can not get it cheaper it is of no concern to the great masses of them whether the mines are operated or whether they remain locked in the embrace of nature, as they have been from immemorial ages.

Mr. NELSON. Will the Senator yield to me for a question?

The VICE PRESIDENT. Will the Senator from Washington yield to the Senator from Minnesota?

Mr. POINDEXTER. I yield.

Mr. NELSON. I have not kept track of this discussion, nor am I very familiar with the bill. I simply want to inquire whether the bill makes any provision for regulating the price of coal to the consumer? Is there any provision made in that respect?

Mr. POINDEXTER. There is no provision. There is no attempt to fix prices.

Mr. NELSON. But whether the Government should lease or sell, could it not put in a condition providing for the regulation of the price to the consumer? Could not Congress give, for example, the Interstate Commerce Commission jurisdiction over that subject, for, after all, one of the chief things we ought to look after is to protect the consumers of the coal.

Mr. POINDEXTER. I think that would be possible, Mr. President. Whether or not it would be effective, is a subject of great difference of opinion. For instance, the Government has the power now, through the Interstate Commerce Commission, to regulate railroad rates, but it is far from being effective in many cases.

Mr. NELSON. I want to say to the Senator that when I was chairman of the Committee on Public Lands we had leasing bills before us, and I was always impressed with the fact that in any leasing bill, or in any bill providing for the disposal of coal lands, unless some protection was made for the consumer, as to the price of coal, the legislation was deficient and abortive. I think that merely to dispose of these lands for the interest of the Government in order to have the Government get a revenue from them, without protecting the consumer, would fall far short of doing what we ought to do. I speak by the permission of the Senator from Washington. I do not want to take up too much of his time; but I think when we open these natural resources to exploitation, whether by sale or lease, we ought to make it a paramount principle to protect the American consumers.

Mr. POINDEXTER. That is undoubtedly the purpose of this bill.

Mr. NELSON. Unless we do that, we reach only one side of the question. While we may perhaps prevent the men who operate the mines, and who handle them, from securing a monopoly in their holdings, we do not prevent a monopoly or trust in the matter of prices to the consumer, and in that respect I think that such legislation is deficient.

Mr. SHAFROTH. Mr. President—

Mr. POINDEXTER. Mr. President, I have been interrupted so much I hesitate to yield again.

Mr. SHAFROTH. I want to say something in reply—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. I will yield a little later, if the Senator will pardon me.

Mr. SHAFROTH. I should like to answer something that the Senator from Florida [Mr. FLETCHER] said, and I see he is going out of the Chamber.

Mr. POINDEXTER. I will yield for that purpose, if it does not take too long.

Mr. SHAFROTH. The Senator from Florida has suggested that if the system which is now on prevails we will have a monopolization in Alaska of large areas of land. The Senator overlooks a very important provision of the law that has been enacted since the exposure of land entries there, and I want to read it to him, because it is an absolute prevention of any monopoly of coal lands in Alaska. They have far better laws than we have with respect to lands in the United States.

Section 3 of the act of 1908 provides as follows:

If any of the lands or deposits purchased under the provisions of this act shall be owned, leased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever so that they form part of or in any way effect any combination or are in any wise controlled by any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal or of any holding of such land by any individual, partnership, association, corporation, mortgage, stock ownership, or control in excess of 2,560 acres in the District of Alaska, the title thereto shall be forfeited to the United States by proceedings instituted by the Attorney General of the United States in the courts for that purpose.

I should like to know how any combination can be made in view of that drastic statute that would give to any person who might want to acquire a monopoly up there the means of doing so. And I want to say to the Senator that the President in 1906, when he withdrew these lands, said that it was for the purpose of legislation, to enact a royalty system. This is a change in the policy of the Government from ownership to a leasing system.

Mr. President, I say this law is absolutely a prevention of monopoly, and it seems to me that when we are going to discard the policy which has made us the greatest Nation on earth in minerals and in coal we are going to do something that will retard development instead of accelerating the same.

Mr. POINDEXTER. Mr. President, it is all very well for the Senator from Colorado to hark back to the free and easy method of acquiring public lands of our early days, but the people of this country will never return to that system. Those people who fail to make a distinction between the necessities of the present conditions and those which existed when we had a virgin continent and a small population overlook the essential issue involved in this discussion. What was wise 40 or 50 years ago may not be wise, and in this case is not wise, under the conditions which exist to-day.

Now, the Senator says that under the law which he has just quoted there can not be any monopoly. You might read the Sherman Antitrust Act, which has been upon the statute books for 20 years or more, I believe, and say that under that there could not be any monopoly in transportation, trade, or industries in this country. It is a good deal like the Irish lawyer's advice to his client that he could not be put in jail. The poor fellow was in jail. Notwithstanding that law, there was a monopoly of the resources of Alaska, an incipient one, which was stopped by a great political campaign, which found that this syndicate had secured the appointment of its attorney as Secretary of the Interior of the United States. The withdrawals were made and they have remained in force ever since in response to that awakened public opinion.

This bill, in its essential principles and in the advance which it makes over the old conditions, is a credit to this Democratic administration, of which the Senator from Colorado is a member, and it is another response to the public conscience which was aroused by the extent to which private interests had monopolized this greatest of all of the territorial possessions of the United States.

The Senator, I know, on this occasion and on many other occasions has denounced the forest reservations and the policy of the reservation of public lands in general. That is rather

aside from the question now. But I fail to see the pertinency of the Senator's objection to the withdrawal of land which he described as above timber line in the Colorado forest reserve. That is nothing but barren rock and glaciers, and I do not understand his vehement denunciation of the Government for including that in a forest reserve, depriving the people of the benefit of it.

Mr. SHAFROTH. I will state that what is the wrong consists in the fact that our best mines are located above timber line.

Mr. POINDEXTER. Mr. President, has the Senator from Colorado ever tried to locate a mine there?

Mr. SHAFROTH. I do not know that you can say the best mines are found there, but numerous mines are found there. When I went to Colorado the declaration was considered true that no good mine existed below the timber line. I do not think, however, that is true.

Mr. POINDEXTER. Every one of them is subject to entry.

Mr. SHAFROTH. That is true; but I have explained the hardships of getting title of an inspector coming around, and if he does not think the mine is a pay mine, no patent is obtained. No development will take place under such circumstances.

Mr. POINDEXTER. That is a matter of Democratic administration. You have charge of the Land Office, and the Secretary of the Interior is a Democrat.

Mr. SHAFROTH. But the administration of that office has been under rules which have been established by a Republican administration, and the same men are now in the bureau.

Mr. POINDEXTER. What I am discussing is the law. You can not condemn a law on account of some unreasonable inspector who comes around; and you can not condemn it when the law provides that the officials in the forest reserves shall be appointed from the States where the reserve is located, though the Senator from Colorado denounces it because they appointed a Maryland man superintendent of forest reserves in Colorado. I am not interested in that phase of the question. The law, of course, ought to be enforced; and it has been discussed and demonstrated on many other occasions that the law provides for the use of every resource that there is on forest reserves.

The Senator from Colorado says the Government has no title to these lands. That is just as academic, so far as practical questions are concerned, as is his argument in regard to the validity of these withdrawals. When the Senator contends that the Government has no title to these lands, I ask did not the Government convey to the State of Colorado the title to vast areas of land for educational purposes? If the Government had no title to the land, the State of Colorado has no title to it. The title which the State of Colorado acquired came from the Government of the United States; the State of Colorado did not acquire it. The United States of America owned the Territory, and it allowed people to go and settle and to finally form a State, which was admitted into this Union upon the same terms and conditions as was every other State.

The public lands, the title to which has not passed out of the United States Government, remain the property of the United States Government as they were before the State of Colorado was created. They are in a quite different status from that vast area of still more fertile lands which went to constitute the great States of Indiana and Illinois and Kentucky, which never were owned by the Government of the United States until they were granted to it by the State of Virginia upon conditions which were stated in the grant.

Mr. SHAFROTH. Mr. President, the Senator from Washington does not apprehend what I said with respect to the title. I have never said that the United States did not have title.

Mr. POINDEXTER. The Senator said the United States had a conditional title.

Mr. SHAFROTH. I said it had title in trust. I want to call the attention of the Senator to the Supreme Court decision in Pollard's Lessee against Hogan, which says:

We think a proper examination of this subject will show that the United States never held any municipal sovereignty, jurisdiction, or right of soil in and to the territory of which Alabama or any of the new States were formed, except for temporary purposes, and to execute the trusts created by the acts of the Virginia and Georgia Legislatures, and the deeds of cession executed by them to the United States, and the trust created by the treaty with the French Republic of the 30th of April, 1803, ceding Louisiana.

Mr. POINDEXTER. Mr. President, that Territory was in an entirely different status from the Territory of Alaska and from the territory of much of Colorado.

Mr. SHAFROTH. No; Colorado is in—

Mr. POINDEXTER. If the Senator will pardon me for a moment, I want to say, in response to what he has stated, that

it is not so much a question of a general declaration that the Government of the United States held the lands in trust; of course we all know that; but the controversy is as to the trust, as to what the trust is, and the manner of the execution of the trust. Every State that owns lands, owns them in trust for its people, with all of their varying relations as citizens of the United States and as citizens of the State; and every Government that owns lands, owns them in trust for the people who constitute that Government. The Senator construes the trust which is fastened upon the title of the public lands of the United States to incapacitate the United States from retaining even the legal title to those lands, the equitable title being for the benefit of the people. There is the difference between us. I hold that the Government of the United States can retain the legal title which it has always had.

The Senator from Colorado argues, upon some basis that I fail to understand, that the Government of the United States must part with that legal title; that it can not reserve those lands. Upon what does the Senator base that contention?

Mr. SHAFROTH. Why, Mr. President, I base it upon our form of Government; I base it upon the fact that we have a National Government and States governments and that the National Government has declared that the States shall maintain a republican form of government. They can not maintain a republican form of government unless they have the power of taxation upon the lands within their boundaries. Inasmuch as the enabling act of every State has exempted the United States lands from taxation, it puts the State absolutely at the mercy of the National Government. As taxation may be the instrument of annihilation, so exemption from taxation may be the means of annihilation. There was never an intention upon the part of the National Government, the framers of the Constitution, in my judgment, that these lands should be exempted from taxation forever, because you would thereby deprive the State of the very means of existence, of having a public-school system, of having a county system, and of having a State system of government.

Mr. POINDEXTER. If the Senator will pardon me, he fails to discriminate, in my judgment, between a rule of law and a public policy. What he argues may or may not be good public policy, but it is not a rule of law. There is not any law which requires the Government of the United States to deed all of the public lands to the States in which they are situated.

Mr. SHAFROTH. No; but—

Mr. POINDEXTER. There is a public policy which ought to induce a just Government to so control and to so dispose of its public lands as to promote the best interests of the public.

Mr. SMITH of Arizona. For the best interests of the public and of the State.

Mr. POINDEXTER. The public; not simply the State, but for the people of the United States. Of course, however, as to the suggestion of the Senator from Arizona, the State would be the chief beneficiary of any wise public policy in regard to the lands situated within its borders.

If the preservation of a forest, which some avaricious lumber company are rapidly destroying, as they have done in so many States, is a wise governmental policy, the benefits of it would accrue to the people who live where the forest is, and that is especially true in those great States of the Rocky Mountain region, which depend for their prosperity upon the conservation of the meager rainfall, which in turn depends upon the preservation of the forests. When the Senator from Colorado concedes it is wise to preserve those forests, and this great and benign Government—for at least it is benign in its Constitution and in the principles which underlie it, whether it always is or is not in its administration—when this great Government uses its power to preserve those essentials of the prosperity of those people, and the Senator says that that is not for the benefit of that State, he is illogical and unconvincing.

The people of the Eastern States, who have not been imposed upon by having the Government foist upon them a policy of governmental preservation of their forests—at least not until recently—where there were no public lands to speak of, went into their own treasuries and took the money which the people had paid in taxes to buy forest lands and to establish at their own expense the very system which the State of Colorado and the other Western States get from the largess of a wealthy Government with its vast resources of public lands.

Now, Mr. President, as to absentee landlordism, what is the result if the control and the regulation of the Government is entirely relinquished? It is that instead of the landlordism, if you choose to call it that, of a Government that is responsive to public opinion and to public interest, you have a landlordism that is responsive to nothing whatever except the ring of money and the accumulation of the most enormous riches from re-

sources which belonged to the public and which the holders have acquired for a mere song.

In some of the counties in the State of Washington, under this policy of easy acquirement of public lands which the Senator from Colorado advocates, instead of the counties being benefited, as he says they would be by that easy policy, from taxes upon these lands, we have in one particular county that I recall at this moment—and I am making this statement upon an examination of the record of that county—three-fourths of the area of the county owned by a combination of lumber companies; it is not open to settlement; it can not be purchased; it escapes to a large extent the payment of taxes. The influence and the corrupting power of those great interests prevent those lands from being assessed at their true value. Even the small taxes that accumulate from year to year they refuse to pay until, through the course of years and the accumulation of annual taxes, a large sum is accumulated, and they then make a compromise of 50 cents on the dollar, or something of that kind.

Mr. SHAFROTH. Mr. President, I know that there have been abuses of the land law; and if the Senator thinks that I am in favor of the easy acquisition of these lands, he is mistaken; but I want to say to him that in the very illustration he has given the difficulty was caused by the action of the Forestry Bureau. It was because it advocated the theory, when it started, that you can not have good administration of a forest reserve unless all of the people in the forest reserve were sent out; that the very presence of people would destroy the object of forestry there. Consequently there was a bill put through Congress to the effect that any person owning land in a forest reserve could take scrip for his land and locate that scrip upon any other lands of the United States that were open to entry. Mr. President, owners of lands which were located in forest reserves throughout the Union, after denuding them of timber, petitioned to have scrip issued to them, so that the forest reserve could be kept intact. The result was that they went up to the timberlands of Washington and located that scrip upon those lands.

Mr. SMITH of Arizona. Mr. President, if the Senator will permit me, I will show how that was done. It was more easily done than he has suggested. For instance, a railroad company had a grant of land, part of it being located in my State, containing a great amount of timber. The department at Washington established a forest reserve there, and in order to make the reserve a compact body, in order to eliminate the checker-board feature from the reserve, the Government brought all the contiguous land into one forest reserve and issued scrip for the railroad lands. Under that scrip the railroads have located some of the very best and most valuable lands in Washington, Oregon, and California. I may say, also, that that was done in absolute violation of every principle of the old law, and not as a result of that law. A leasing system would not have prevented it.

Mr. SHAFROTH. Mr. President, I want to say that this very policy was advanced by the Forestry Bureau. I do not think the Forestry Bureau intended any such result. I have no word of criticism against their honesty or good intentions; I believe that they intend well and that they have meant in every action they have taken to bring about benefit; but, instead of being of benefit, their action in this instance was a curse to the State of Washington. They did not foresee that the course which was pursued enabled those who owned large tracts of land in the forests of Colorado and other States to secure scrip, and then to file that scrip and locate there on timberland in Washington and Oregon.

It simply shows that all of this legislation has been experimental; and instead of its turning out good, it has turned out bad. So when you attempt to do away with the principle that has guided the settlement and development of the western country for a century you are undertaking something which may produce, and, in my judgment, will produce, the absolute destruction of the development of our resources.

Mr. POINDEXTER. Mr. President, the very purpose of this bill is to end those conditions. The Senator has described the abuses arising from the indiscriminate and wholesale issue of land scrip to railroads. In many instances those things occurred under laws which were passed in a way that could be denominated by the word "surreptitious," I think.

Mr. SHAFROTH. Oh, no; I think not.

Mr. POINDEXTER. I do not mean to say that they were fraudulently passed, but I mean to say they were passed without the notice of Congress or any considerable number of the Members of Congress.

Mr. SHAFROTH. I think they were discussed, but they were not understood, just as in the case of the system which it is now

proposed to fasten on Alaska we do not understand what is going to be the result. I say that the result will be destruction, while the Senator from Washington says it will be great development. Whichever judgment is right is the proper one to follow.

Mr. President, after the law to which reference has been made was passed, men who had cut the timber off their land not in a forest reserve petitioned the Interior Department to include that land in a forest reserve in their State—and in some instances that action was taken—in order to get scrip and in order to take that scrip out to Washington or Oregon, for the purpose of locating it upon timber lands. This was all done under the administration of a bureau called the Forestry Bureau, composed of good men, composed of men with good intentions, but nevertheless they could not foresee that the change of the policy of the Government would be destructive of the very objects which they intended to accomplish.

Mr. POINDEXTER. Mr. President, I have denounced fully as vigorously as the Senator is denouncing now the conditions of which he is speaking, and it strikes me as being one of the inconsistent features of the situation here now that he should be opposing this bill and advocating going back to the old system. We are not in favor of those things which resulted in a monopoly of the timber and other kinds of public land.

The manner in which some of those bills were passed—I do not want to delay a vote on this measure unduly, and I have spoken much longer than I had intended to speak, but I want to say a word further on this subject and then to call attention to an amendment which I propose to offer directed to another feature of the bill—is illustrated by an incident in a previous Congress. On one occasion a Member of this body, a perfectly honorable man—I have not the slightest doubt that he thought he was acting in accordance with a policy which he believed to be wise and beneficial, but it shows the manner in which some of these results were obtained—when there was a great appropriation bill pending, addressed the Chair and said: "I have a little amendment here that affects my State locally; it does not amount to anything"—it was in the concluding days of the session—"and I should like to secure its adoption." The chairman of the committee, with whom he had talked about it, accepted it; it was adopted, and went into conference and was adopted there. That was all that was said about it on the floor of the Senate and there was nothing said about it at all on the floor of the House. The result of that was to allow the Northern Pacific Railroad to surrender its holding—the very thing about which the Senator has been speaking—in a forest reserve, the Rainier Forest Reserve, receive scrip for it, and locate other lands. They surrendered some 450,000 acres of practically worthless land and located probably the most valuable timberlands in the world, much of it white-pine land in the State of the Senator from Idaho.

That is the way a good deal of that legislation was put through. It was a survival in a way of the indifference of the people to public-land legislation. At that time there was more land than there were people to occupy it; there was land to be had on every side, and the idea that any person or corporation could acquire too much of it never occurred to anybody. But, Mr. President, we have come to the frontier of our public-land area; we have reached the Pacific Ocean; there are no more great areas of public land which we can throw open for homesteading or for other acquirement by our people. What we have left, a small remnant of a once princely domain, valuable, however, in places for minerals and for timber, although very little of it is valuable for agricultural purposes, it behoves us to conserve and to use for the benefit of the public rather than to continue the policy which the Senator himself denounces.

Mr. CRAWFORD. Mr. President, will the Senator permit me to ask him a question just at that point?

Mr. POINDEXTER. I yield to the Senator.

Mr. CRAWFORD. It has occurred to me—I am not especially familiar with the situation in Alaska—that in the very nature of things there is a very wide difference between the environment which exists there and that in a State like Colorado, in the heart of the great West. Alaska is in part, at least, in the Arctic Zone, in a far-distant region, where the inhospitable character of the climate and the lack of food production make a condition which will exist through all time, perhaps, and because of which the population will be scant and shifting, and not, so far as the great mass is concerned, of a permanent character. Now, in a community of that kind, here is a vast storehouse of coal, far beyond the needs of the present population of that Territory or the needs of any population that ever in all the future will reside in that country. Therefore it becomes in a peculiar manner a storehouse in regard to which the Government stands in the position of a trustee for all the peo-

ple. Do not those elements make the situation there very different from the situation in Arizona or in Colorado?

Now, the question I want to ask the Senator, because of his familiarity with that country, is whether or not the distance of Alaska from the markets of continental United States and the necessary cost of transportation for long distances will not stand as a permanent obstruction or barrier to the wide consumption of the coal of that country by the people who live within the borders of continental United States? Can we mine coal there, transport it to our western shores and then for considerable distance inland, and market it at a price which will make it a practical proposition for the people within the borders of continental United States? I should like to have the opinion of the Senator upon that subject.

Mr. POINDEXTER. Mr. President, I am very glad the Senator has asked that question, and I will answer it briefly as best I can. In the first place, I think the Senator is correct in calling attention to the essential differences in the condition of the Territory of Alaska and the State of Colorado or any other State.

Now, as for the physical features of the coal problem of Alaska, I will say to the Senator that there is not to my knowledge anywhere in continental United States a large deposit of coal so favorably situated, so far as transportation is concerned, as the coal in Alaska. Both the great Bering River fields and the great Matanuska fields are practically on the coast and can be reached by water grade. One is only about 25 miles from Controller Bay. I will not stop to discuss the nature of that harbor, because it has been the bone of contention for a great many years, but I will say that it is a good harbor, well protected, with deep water; and if as much as has been spent on Raccoon Creek and other creeks in some States were spent in dredging that harbor, or even without spending a dollar the coal is once on board ship of course the entire Pacific coast far on it, it is capable of accommodating coal ships, and when is available as a market.

How far inland this coal can be carried profitably is a question of railroad transportation in the United States and is subject to all of the conditions that apply to it in the eastern part of the United States.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

Mr. POINDEXTER. I yield to the Senator.

Mr. CHAMBERLAIN. Speaking of distances with reference to the transportation of coal, if I am not very much mistaken, the coal used at the Mare Island Navy Yard in San Francisco and the coal used at Pearl Harbor in the Sandwich Islands comes all the way from Norfolk and other eastern ports, having been shipped to such ports on the Atlantic seaboard from Pennsylvania.

Mr. POINDEXTER. The Senator might add that it comes originally from the mountains of West Virginia and is transported first to Norfolk.

Mr. CHAMBERLAIN. Not only that, but I desire to call the attention of the Senator to the fact that that very coal from the Atlantic seaboard has been coming around Cape Horn, and in order to reach the Sandwich Islands goes practically to a point which is almost due west of the Alaska coal fields; in other words, the vessels that go up the Pacific coast sail in a northerly direction before they start across the Pacific Ocean.

Mr. CRAWFORD. Mr. President, if the Senator will permit me there, I can see that for use at military posts and for war ships and purposes of that kind Alaskan coal might be transported long distances, perhaps; but would it be practicable as a commercial proposition to transport it long distances in such amounts and over the wide area necessary if it were to become a commercial commodity consumed by the people? That is the point I had in mind, and I wanted information upon it; that is all.

Mr. CHAMBERLAIN. I do not know why it can not be so used. The coal which is used now on the Pacific coast generally, I think, is brought from Wyoming, and there has been a time in the not very distant past when the coal used at Portland, Oreg., was brought from Australia to the United States and taken inland 100 miles.

Mr. SMOOT. In that connection I wish to say to the Senator from South Dakota that the Navy refuse to use the coal mined in Wyoming or Utah, upon the ground that it is not of a quality required by the Government for battleships. I received a letter from the Navy Department within the last week giving the results of tests of some 22 samples of coal taken from the mines of 22 different sections in the West. They claim that the construction of the boilers of the battleships is such that they have to have at least 2 feet of coal burning upon the

grates all the time, and that it takes a certain quality of coal to produce the steam required to develop the necessary power to drive the battleship at its fullest speed.

I will say now that there is enough coal in the State of Utah alone for domestic purposes, not only for the State of Utah, but for Idaho and California and Washington and all the cities on the Pacific coast, to last for 300 years or more. I think there is even more than that in the State of Wyoming and the State of Colorado.

I expect a further examination of some of the coals that are produced in Utah, with the anticipation that those that have been developed of late would be of sufficient quality to be used in the Navy of the United States. I might also say, in this connection, that my information is that the coals of the Bering field in Alaska are not fitted for the Navy. The last test that was made showed that they were not nearly equal to the coals of the intermountain country. The tests that were made—and they were only made in a small way—of the coals of the Matanuska field also showed that they were not considered by the Navy Department of sufficient quality to be used by the Navy.

I believe the Senator will remember that I had a report upon the Bering coal fields, and had it printed in the RECORD when this question was up before; and I think there is no doubt as to that being the report made by our Navy officials.

Mr. POINDEXTER. There may be no doubt as to that being the report made by the Navy officials, Mr. President, but there is a great deal of doubt as to whether or not it is the correct conclusion. On the contrary, there is no doubt, in the opinion of a great many competent men who have examined the fields and tested the coal, that it is fully equal to the best coal on the Atlantic seaboard. In fact, it is so stated in writing in the reports of the Geological Survey. They say that it is as good as the Pocahontas coal and the Maryland coal, which latter is considered to be equal to the Pocahontas coal.

As to the test that the Senator from Utah speaks of, in the first place they made only one steaming test of this coal. They fired up once and steamed a few miles with the coal. Of course it is perfectly obvious that that is no real test. They did not have very much coal there, and the manner in which the coal was mined and gotten out was really a scandal.

I have in my hand a description in part of that manner from the Chief of the Bureau of Mines, under whose authority and jurisdiction the mining of the coal was conducted, although not actually under his direction. I have heard that there was a medical doctor who had charge of the mining, and they mined rocks as well as coal and sledged it in the wintertime down to the Swift Water River, as it is called—one of the tributaries of the Bering River—and left it there until the following spring. Then they sorted it over, and there are affidavits which have been filed and printed in the RECORD from people who took part in these operations, with one of whom I am personally acquainted—a man who has lived in Alaska some 30 years, and who bears an excellent reputation for character and truthfulness. He says that there are now, at the point on this river where they piled this coal waiting for transportation to the seaboard, several tons of large rocks that they picked out of it after it had been sledged down there from the mine. Then they took what remained of the coal down to the tidal mud flats and put it there on what they thought was dry land, and whenever there was an unusually high tide it came over this coal and submerged it. It lay there for a long time, and then they took it and made a test.

The coal has been tested a great number of times by experts of the Government. They report, as I said before, that it is not only a good steaming coal, but it is a good coking coal. The practical judgment of such business men as the Guggenheims is a very good evidence of the character of the coal, as shown by their willingness to acquire and operate this property, as they were about to do when a halt was called upon that policy and these land entries were suspended.

I will say that I agree with all the Senators who argue that those men who entered coal claims in good faith and complied with the law ought to have their title. Your administration is just as much responsible for their not getting it as the last administration was. There is not any delicacy about it such as the Senator spoke of yesterday.

In one or two cases particularly which I remember I have gone so far as, probably, to verge upon impropriety in urging the Secretary of the Interior to give his very careful attention to the merits of certain of these claims. That, however, does not involve the proposition of leaving the condition as it was when the issue in regard to Mr. Ballinger arose, when it was perfectly evident, and had been demonstrated a hundred times

over, that if that condition continued there would be a monopoly of the coal lands of Alaska. It makes no difference how vast they are. There may be, as the Geological Survey reports, 150,000,000,000 tons of coal in the surveyed and unsurveyed coal lands of Alaska; but they would still have been under the control of a single syndicate, and the operation or development of them would have been of no general benefit so far as reducing the price of coal was concerned.

The Senator from Utah says he has in his State sufficient coal to supply the needs of the entire country. That may be true. Why, Mr. President, to-day there is coal for sale in Alaska, and a man can get 10,000,000 tons of coal in Alaska if he is willing to pay the price for it. The question is not of the supply of coal, but it is of the supply of coal at a reasonable price.

Mr. SMOOT. Not altogether, Mr. President, because the western demand for coal is promptly filled. There is no shortage whatever, and the mines in Wyoming and the mines in Utah to-day are not running over half-time. It is not a question of price with the Navy Department. The mines of Utah will furnish coal a great deal cheaper than the mines of West Virginia, and will furnish coal delivered at Mare Island for a number of dollars less per ton; I do not remember just how many, but a great deal less in price. So far as the commercial requirements of coal are concerned, however, they are all filled, and filled promptly, and will be filled if they increase three or four times over what they are at present.

Mr. POINDEXTER. Yes, Mr. President; there are two men serving terms in the penitentiary now, unless they have completed their terms for supplying the Government with coal at \$26 a ton in Alaska. They entered into a combination among all the companies that were selling coal there. Of course the Government got the coal, but it is perfectly absurd that it should pay \$26 a ton for it. There is not any other country in the world having modern, efficient, free government, in my judgment, that ever would have allowed the conditions which exist here in regard to the purchase of coal by the Government of the United States to have lasted as long as they have already lasted in this country.

Mr. NELSON. Mr. President—

Mr. POINDEXTER. Just one minute. They never would have been content to spend \$400,000 a year buying coal in the mountains of West Virginia, and pay an enormous freight rate to the railroads to haul it to tidewater, and then convey it around Cape Horn for the use of their Navy on the north Pacific coast, when there is lying there within 25 miles of a good harbor an unlimited quantity of coal equally as good. The Senator can not convince me that the price of coal is not an important consideration when I have to pay \$8 or \$9 a ton for an inferior quality of coal.

Mr. SMOOT. Mr. President, I may have misunderstood what the Senator said. I understood that he was referring to the production of coal in this country for sale to purchasers in California, Washington, and Oregon. I had no idea that he was referring to the purchase of coal in Alaska. I do not think there ever was a pound of western coal sent to Alaska. I never heard of it if there has been; and I do not believe any coal producer in the West has ever attempted to ship coal into Alaska.

Mr. POINDEXTER. It is derived from British Columbia.

Mr. SMOOT. That is, as I understand, that they get most of their coal from British Columbia. I do know, however, that in all the far Western States—that is, California, and Oregon, and Washington, and Idaho—there is no trouble whatever in getting all the coal they want, and there has been no increase in the price of coal for many, many years.

Mr. POINDEXTER. Why, Mr. President, there could not well be any increase in it. It was put right up to the topnotch many years ago; and the complaint we are making is that it has not come down.

Mr. SMOOT. If the coal companies can get \$1.50 a ton for the coal at the mines they think they are doing well. As far as railroad rates are concerned, I have nothing to say. If they are high, however, do not charge that to the firm that is producing the coal. Every shipment that leaves the coal mine shows exactly what the coal is sold for, and if they can get \$1.25 a ton or \$1.50 for the very best of it, they think they are doing very well, indeed. So the Senator can not charge up the high prices to the producers of the coal. If there are extreme prices, it is due to railroad rates, and not to the charge for the coal itself.

Mr. POINDEXTER. Well, it is due to a monopoly of coal that these men have.

Mr. SMOOT. Oh, no.

Mr. SMITH of Arizona. It is a matter of transportation.

Mr. SMOOT. It costs about 87 cents to mine a ton of coal, and all of the other expenses attached to the mining of coal must be paid out of the 38 to 60 cents that the company gets above the cost of immediate mining.

Mr. SMITH of Arizona. They have to do that to sell the coal.

Mr. POINDEXTER. Yes; and that would have been the condition in Alaska if these people had acquired the coal claims that they entered. It would have been the very condition which the Senator is now describing. They would have gotten barely enough to pay operating expenses, and the monopoly would have raked off the profit.

I now yield to the Senator from Minnesota, who desired to make an inquiry.

Mr. NELSON. I rose a while ago to inquire of the Senator whether any provision was made to protect the consumers. I desire to call his attention to the fact that in 1911 I reported from the Committee on Public Lands a bill to provide for the leasing of coal and coal lands in the Territory of Alaska, and in that bill was this provision, to which I desire to call his attention:

Every such lease granted under the provisions of this act shall be upon the conditions that the lessee will not monopolize, or attempt to monopolize, in whole or in part, the trade in coal; that the lessee will at all times sell the coal extracted from the leased premises at just, fair, and reasonable rates, and without any discrimination in price or otherwise, as to persons or places; that the Interstate Commerce Commission shall, upon its own initiative, or upon the complaint of an aggrieved party, have the same power to pass upon, determine, and prescribe the present and future rates at which the coal shall be sold by the lessee as is given the said commission by the provisions of an act entitled "An act to regulate commerce"—

And so forth. I do not read quite all of it, but I desire to call his attention to the fact that I had this matter in mind when this bill was drawn. I think I drew the bill myself, or the most of it, at any rate, in consultation with the Chief of the Bureau of Mines at the time. It was a leasing bill, and both the Chief of the Bureau of Mines and I were impressed with the idea that something ought to be done to regulate the price to the consumers; and we could not think of any better plan than this. I would suggest that such an amendment be incorporated in this bill.

Mr. POINDEXTER. I am very glad the Senator has read it.

Mr. NELSON. This bill, I might say, was reported favorably by the Committee on Public Lands.

Mr. SMITH of Arizona. Mr. President, if the Senator will permit me, this is quite interesting. I would suggest, though, as far as the real issue here is concerned—the question of the power of the Government to fix a price on a product like coal—if it can do it under a lease, why could it not do it under a limited deed?

Mr. NELSON. There is no doubt about it. The Government could sell the land upon similar conditions.

Mr. SMITH of Arizona. Then it would apply equally. My idea has been all the time, in order to avoid the leasing proposition, suppose we should sell these lands in limited quantities. Then, if you have the power—though I doubt the efficacy of using it—of fixing the price to the consumer, the consumer is so far away and so many agencies intervene that the coal will only go to the places that it can go to cheapest, or else the cheaper coal will drive it out.

Mr. POINDEXTER. Undoubtedly there would be those difficulties.

Mr. SMITH of Arizona. So it seems to me we are working in the dark, largely, for how can we fix the price at which a man shall sell Alaska coal? Shall we fix it at the mine?

Mr. POINDEXTER. Mr. President, it will not do for us just to throw up our hands.

Mr. SMITH of Arizona. I know; but I am asking in earnest. I am not combating the Senator's position. I am trying to get information. Where would we fix the price, now, as logical men, attempting to do something for that country? How would we fix the price, under a lease or under a deed, at which Alaskan coal should be sold?

Mr. POINDEXTER. Undoubtedly, so far as the owners of the coal lands were concerned, you would have to fix it at the point where they sold the coal.

Mr. SMITH of Arizona. Well, that might differ without relieving the ultimate consumer of the coal at all.

Mr. POINDEXTER. That might be. It might be monopolized by those who controlled the means of transportation, or something of that kind. That is perfectly true. But it will not do for us simply to abandon the proposition and say that because there are difficulties in the way we will do nothing.

Mr. SMITH of Arizona. I know; but we have difficulties in the way that might be so permanent that nothing would be

done. That is what I am trying to get at. Now, suppose we do put a limitation on the coal at the shaft and say what the operator shall get for it and put it under a lease, subject to being set aside at any time by the department or under the conditions you draw there; then the question is, Are you going to develop it, as suggested by the Senator from Idaho? It struck me as the strongest part of his statement, that it meant monopoly on the part of the rich men to handle coal under a leasing system, for they are the only ones that could comply with the conditions and develop the mine. As to fixing the price, the Guggenheims could fix a price at which they would sell. You and I could not. Under a leasing system you and I could not. So, instead of bringing in competition by leasing, it seems to me there is danger of absolutely ruining competition.

We are both aiming at the same result, and I am in sympathy with the Senator.

Mr. POINDEXTER. I think the Senator is.

Mr. SMITH of Arizona. But I see the difficulties confronting us.

Mr. POINDEXTER. There are difficulties. Under any system there are difficulties of administration. There are different elements coming into it. You can not foresee many things. We are groping more or less in the dark, as the Senator says; but we are compelled to take some action, or else leave these riches locked up, which the Senator does not want to see done and I do not want to see done.

Mr. SMITH of Arizona. Let me suggest to the Senator, since we are both aiming at the same thing—that is, developing Alaska to the best interests of Alaska and of the balance of the country—does the leasing system offer any greater solution, or does it offer probably as good a solution, of the question, as a limitation on the holdings, as read by the Senator?

Mr. POINDEXTER. In my judgment, it does.

Mr. SMITH of Arizona. Does the Senator think it would do it better? Now, the leasing system is an increased burden on the consumer, without a doubt, if there is any royalty paid.

Mr. POINDEXTER. Why, this little royalty of 2 or 5 cents a ton is no burden on the consumer.

Mr. SMITH of Arizona. It accomplishes nothing, then.

Mr. POINDEXTER. The royalty does not accomplish anything, of course. It is not intended to accomplish anything. It is the retention of the title in the Government, and the expiration of the lease in 50 years, that is supposed to accomplish something.

Mr. SMITH of Arizona. I am talking about the development of the country. How are you going to develop competition in Alaska if you put it under a leasing system under this bill? In my judgment, without going into the merits of the leasing system, it is conducive to monopoly in that nobody will attempt it except the man eminently able to do it.

Mr. POINDEXTER. I will speak of that later on, if the Senator will pardon me.

Mr. SMITH of Arizona. But I will suggest further to the Senator this point: How, under the leasing system, is the man without money ever to develop a mine? He can not do anything with it. He can not raise money on it as long as it is under a lease, and the bigger, stronger, abler people, if they are not already there, will go there and immediately do what we attempted to prevent the Guggenheims from doing. That is what I am afraid of.

Mr. POINDEXTER. Mr. President, you have got to take the bill as a whole. The most important feature of the bill, from my standpoint, is that it authorizes the Government to supply itself with its own coal from its own mines, and by implication, perhaps—and I hope the bill will be made a little clearer upon that point—also to supply the public. Of course, the Government is not compelled to mine to any certain extent. It might mine to a limited extent, so far as the public were concerned; but a supply of coal at a reasonable cost from the Government mines would do more to secure a reasonable price to the consumers of coal than all the laws that could be passed by Congress in restraint of monopoly.

Mr. SMITH of Arizona. Does the Senator think there would be sharp competition?

Mr. POINDEXTER. There would be sharp competition.

Mr. SMITH of Arizona. Honest, individual competition?

Mr. POINDEXTER. Well, of course not in all cases. If the President were a god and could wave his wand and say, "There shall be sharp competition," that would solve the whole question. But there would be competition between the Government mines and private mines. That is what we are trying to get.

Mr. SMITH of Arizona. I know you are; but in trying to get it you monopolize by putting in something that nobody else can do. The Government must charge enough to do the work.

Mr. POINDEXTER. If the Senator will allow me to conclude—

Mr. SMITH of Arizona. I shall not interrupt the Senator any more.

Mr. POINDEXTER. I do not object to the Senator's interrupting. I will yield the floor to him very soon. The Senator's suggestions are eminently pertinent, and I am very glad indeed that he has made them; but that is a reiteration of the statement made time and time again, that a leasing system will result in a monopoly.

Mr. SMITH of Arizona. The Senator's statement is the same thing—a reiteration of the other side of the question.

Mr. POINDEXTER. Mr. President, the monopoly existed when these lands were withdrawn; and we are attempting to get a different system, which could not possibly have any worse effect than the condition which existed at that time.

As to the statement that it will require means to operate a mine, we are not going to be relieved from that condition by the absence of a leasing system. It requires the same money to operate a mine if the land is owned by the operator as it does if it is leased by the operator. So far as the operation is concerned, poor men can not carry it on, though under a fair system poor men can acquire claims and through that secure an interest in the operation.

Mr. SHAFROTH. I will ask the Senator there, if he will yield, whether or not capitalists will lend money upon a leasehold estate, especially in the case of a mining proposition?

Mr. POINDEXTER. Why, Mr. President, they do lend money upon it.

Mr. WALSH. Mr. President, I should like to have the Senator from Colorado address that inquiry to the Senator from West Virginia [Mr. CHILTON], who can tell him definitely about it.

Mr. SHAFROTH. I do not know. That may be.

Mr. WALSH. He will tell him that a vast number of large coal companies operating under leases in the State of West Virginia are financed upon the leasehold interest.

Mr. SHAFROTH. Mr. President, I do not know what the condition is in West Virginia or that part of the country. I never heard of a leasehold estate being mortgaged with bonds on it for its development in my State, either as a precious-metal mine or as a coal mine. You can readily see that no man will undertake to buy bonds so secured, because he has to watch a thing that may produce a forfeiture at any time. Capitalists are not so reckless in lending their money as that. It may be that under peculiar conditions and in States such as West Virginia, that condition prevails. I do not dispute it, because I do not know; but I must say that I never heard of it in my part of the country.

Mr. POINDEXTER. Why, Mr. President, the coal that is being sold in Alaska now is mined in British Columbia, and much of the coal land in that Province is held under lease. The Senator can not blind himself to obvious facts.

Mr. SHAFROTH. Does the Senator refer to the coal that comes from British Columbia?

Mr. POINDEXTER. Yes.

Mr. SHAFROTH. Why, the leasing system which, I understand, exists there is an entirely different leasing system from what we have here. I just want to read, Mr. President—

Mr. WALSH. I understand the Senator from Colorado is combating any kind of a leasing system.

Mr. SHAFROTH. Oh, yes; I do not believe in a leasing system. I want to read this expression—

Mr. POINDEXTER. I will allow the Senator to print it. I should like to go on.

Mr. SHAFROTH. I should like to have the Senator's statement with relation to it.

Mr. POINDEXTER. My statement was that the coal which is being sold in Alaska, the very place we are seeking to relieve by opening up its own mines, is mined in a Province which has adopted a leasing system.

Mr. SHAFROTH. If the Senator will yield right there, I will show what kind of a leasing system it is.

Mr. POINDEXTER. How much is the Senator going to read?

Mr. SHAFROTH. Oh, just a few lines. This is from an address on "Coal and Transportation in Alaska," by Maurice D. Leehy, of Seattle, Wash., at the fourteenth annual session of the American Mining Congress, held at Chicago, Ill., October 24-28, 1911:

LEASING SYSTEM IN OTHER COUNTRIES.

It has been said that the leasing system works well in British Columbia, Yukon Territory, and in Australia and New Zealand. We can only repeat the statement that a half truth is frequently the most dangerous and misleading falsehood. The system in British Columbia is in no sense a leasing system such as is proposed in the United States. The lessee in British Columbia may obtain a lease of 6,400 acres for five

years, with a renewal for three years, but is privileged at any time during the lease, or within three months thereafter, to purchase the lands at \$20 per acre. It is a significant fact, too, that no mines are operated in British Columbia under the leasing system. All are operating upon granted lands. There is a law for leasing the coal lands in the Yukon Territory. The only attempts ever made to operate under that law resulted in failures. There is not a single coal mine operated in the Yukon Territory upon a lease from the Government.

That is a statement which I find in a book sent out on the Alaskan problem.

Mr. POINDEXTER. The Senator will find on an investigation that many coal mines in British Columbia are operated on the leasing system, and it is from British Columbia that a large part of the coal consumed in Alaska is obtained. Many of their oldest coal operations are upon ground which was patented under the old laws, when railroads and other interests acquired large tracts, just as in the United States. But a leasing system has been adopted, and the Province derives an income of \$70,000 a year from 450,000 acres of leased coal lands.

The test of this Alaska coal as to its steaming qualities, referred to by the Senator from Utah, is spoken of by the Director of the Mining Bureau as follows:

The result of these tests should not be considered as a basis for condemning the Bering River coal field, for the reason that the black shale and other material could have been removed easily by washing; and the fact that while the site from which this sample was selected was chosen with care the coal field is undeveloped, very few excavations into the beds of coal have been made, and therefore there is not only the possibility but the probability that many other beds of coal in this field, if opened up to any extent, would prove to be as promising or more promising than was this particular opening.

The introduction of screens and washing equipment would provide an easy and cheap method of separating the slate and dirt from the coal in ordinary commercial operations. The fact that this particular sample of coal, even after washing, produced in the furnaces a slag on the grate bars which stopped the draft and reduced the efficiency of the coal can not be considered as evidence that the ash in the coals from other beds, even nearby beds, in this field would behave in a similar manner. I have known of a number of cases in other coal fields where of two beds of coal located near each other, one could not be used in certain furnaces because the ash formed a slag on the grate bars and the other could be used as a high-grade coal in furnaces with a forced draft and high temperatures, because its ash did not form a slag on the grate bars.

For these reasons the fact that the tests on board the cruiser *Maryland* did not show the coal from this particular claim to be satisfactory for the purposes of the Navy can not be considered as indicating that all the coals in the Bering River region are unsuited for use on board the ships of the Navy or ordinary commercial ships.

Mr. President, not only the Bering River field but the Matanuska field, which contains a higher grade of coal than the Bering River field, is located near the seaboard. The Matanuska coal veins are something like 75 miles from the head of Cook Inlet, and some hundred miles farther from Resurrection Bay, from which bay there is already partly constructed a railroad, and under the act which was passed by Congress some time ago it is expected that the railroad will be completed or one built in that vicinity.

This bill is not only important because of the general provisions relating to the entire coal fields, but there are other provisions of it which would relieve the necessities of the people of that Territory, some of which are accentuated by the conditions flowing from the European war, among which is the stoppage of the shipment of coal in British Columbia vessels to Alaska.

Among those other provisions of the bill is that which would allow actual residents in the Territory—I am speaking now only in general terms of the substance of the bill in that regard—to take possession of small areas of coal lands and mine coal for their domestic or other local use. That will relieve some of the necessities of those people. It is a most meritorious provision.

I agree with the critics of the administration of the land laws as to those harsh measures which have been taken against actual settlers and residents—measures which deprive them of every particle of use for their immediate necessities of the resources of the country in which they have settled. The conditions under which they live are hard enough anyhow. They could have been given that use even under existing laws under a liberal administration of them. It certainly can be given them under the provisions of this bill for their domestic and for their local uses without in any way whatever impinging upon the general policy of the Government as to the disposition of its coal lands. That, however, is aside from the question which we have been discussing, and yet it is one of the important features of the bill.

Mr. President, the question of the regulation of the price will come, in my judgment, as I have already stated, from Government operation of the mines, and particularly through the fact that the transportation will not be controlled by a private monopoly if the full use and benefit is made by the Government of its opportunities under the Alaska railroad law which was passed by this Congress.

The bill here provides for the reservation of a very limited area in the Bering River and the Matanuska coal fields. I hope that the Senators in charge of the bill will agree to an amendment providing that one-half, approximately, of the coal area of Alaska shall be reserved by the Government and one-half of it opened up for entry under the terms of the bill. There are 400 square miles of coal-bearing lands in the two fields, the Bering River and Matanuska, and in the great unsurveyed fields of Alaska there is said to be, upon a rough approximate estimate by experts of the Government, enough coal to run the total up to 150,000,000,000 tons. One-half of these two fields and one-half of the unsurveyed areas will surely be enough to satisfy the needs of private operation and all the needs of commerce that can possibly be supplied from Alaska.

If one-half of it is reserved, then whatever policy may be deemed to be wise in the future can be adopted with reference to it. In the meantime, the Government will have that one-half in which to select its own field of operation. It is true, more or less, that we can not possibly tell the actual results that are going to flow as to the acquirement of this land under this law any more than we could tell under any other law. So it is all the more important that we should withhold a sufficient area of these valuable resources upon which to apply some wiser policy if experience should demonstrate that there is one.

There is another proposition which I hope will be adopted that I believe should be made more explicit.

Mr. WALSH. Before the Senator passes from the matter he has been discussing—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Montana?

Mr. POINDEXTER. I yield to the Senator.

Mr. WALSH. I think the estimate is that the Bering River field covers about 50 square miles.

Mr. POINDEXTER. Yes.

Mr. WALSH. The bill authorizes the lease of 4 square miles, 2,560 acres.

Mr. POINDEXTER. The bill authorizes the lease of 4 square miles?

Mr. WALSH. It authorizes the lease to one corporation or association of 4 square miles.

Mr. POINDEXTER. I understand. What I was speaking of was the lease to any corporation.

Mr. WALSH. The matter of reservation the Senator was discussing. If leases to the limit were granted and every foot of the 50 square miles were productive areas, the Senator will observe that no more than 12 leases could be given, and you would have to take that off the 5,120 acres. That would be 8 square miles, leaving only 42 square miles.

Mr. POINDEXTER. I have not estimated the square miles comprised in the number of acres to be reserved by the Government. How many are altogether provided for?

Mr. WALSH. There are 8 square miles in the Bering field and 12 square miles in the Matanuska field.

Mr. POINDEXTER. Twenty square miles then?

Mr. WALSH. Yes.

Mr. POINDEXTER. That would be 20 square miles out of 400 square miles.

Mr. WALSH. Let us talk about the Bering field for a moment. Take that 8 square miles off and you have 42 square miles left in the Bering field. One lease may embrace 4 square miles. So if every foot of the 50 square miles is coal bearing and available there, you have just 10 leases in the Bering field. But if the Senator will examine the map of the Bering field he will observe, as I have done, that no more than one-half of that total area of 50 square miles can be said to be coal bearing. So I estimate that you can not figure on more than five leases in the Bering field. The Senator would not like to have that cut down to two?

Mr. POINDEXTER. The Bering field is the most valuable field in Alaska, because of its strategical situation and its proximity to navigable water. I would deem it wise that the Government should retain for future disposition or present operation at least one-half of it. It does not make any great general difference, as far as the public is concerned, whether two, three, four, or five different operations are carried on in the Bering River field. The results will come from the combined output of the several fields.

Mr. WALSH. I will say for the information of the Senator from Washington that in the preparation of the bill the map was before those who were concerned in its preparation. We likewise had before us, with a very favorable disposition upon the part of most of them, the bill introduced by the Senator from Nevada [Mr. PITTMAN], which provided for the survey of the field into blocks and the reservation of each alternate

block; but upon an examination of the map, I think the Senator from Nevada will say that the conclusion was reached that that was not a very feasible method of making the reservation. It was determined, I think he will tell you, that it would be impracticable.

Mr. PITTMAN. Mr. President—

Mr. POINDEXTER. I yield to the Senator from Nevada.

Mr. PITTMAN. I had originally the same idea the Senator from Washington has, that it should be one-half, and, as has been stated by the Senator from Montana [Mr. WALSH], my bill provided for that. But at a meeting of a number of Senators who were framing this bill with members of the Department of the Interior and the Geological Survey, it was shown to be impracticable, and also it was shown from the map of the survey of that field that not to exceed 13,000 acres were available coal lands, and that 5,120 acres would take up more than half of the best of the available 13,000 acres. The representatives of the Government conceded that they were getting the best of it in taking 5,120 acres. So far as that particular field is concerned, I believe the Government really has the best of the half in that 5,120 acres.

Mr. POINDEXTER. That may be true, Mr. President. I have not right at hand the separate figures for the Bering River field. I have the figures here—400 square miles for the Matanuska and the Bering River fields combined. Of course this reservation applies to all Alaska, and I should deem it wise that a portion of the unsurveyed field be withheld. Of course we can not with mathematical accuracy reserve one-half; it would be only an approximation; but if you make a general rule, which is applicable to any condition, it seems to me that it is a great deal better than fixing a specific amount when the actual area of coal underlying this land is more or less unknown. We can not look under the ground and see how far these veins extend, but as the information is acquired, if you have a general rule such as the one-half proposition, which is applicable everywhere, it seems to me it would be more workable and lead to better results.

Mr. WALSH. Let me say to the Senator from Washington, as he will probably recognize, that the Secretary of the Interior would be authorized in his discretion to withdraw at any time for the purposes of the Navy or for other governmental uses any portion of the land.

Mr. POINDEXTER. That provision is not contained in this bill.

Mr. WALSH. No; but it is under the general power to withdraw.

Mr. POINDEXTER. I am inclined to think on the spur of the moment as a legal proposition that that power would be removed by this bill, that where it expresses the amount which the Government may reserve it would exclude any other power to reserve. I am very glad that the Senator called attention to that view of the bill. It seems to me it makes it more evident that consideration ought to be given to extending by the bill itself the power of the Government to make reservations, which could be done without injury to any interest whatever, if one-half everywhere is subject to entry under the terms of the bill. I would be very glad if the Senator would give that matter some consideration before we come to vote on the amendment.

There are vast areas of coal in the Yukon Valley, and it seems to me the Government ought to reserve one-half of those, as well as portions of the Bering River and the Matanuska fields.

The importance of this reservation is increasing day by day, population is increasing, the demand for the consumption of coal is increasing, and as the monopoly of coal extends to other portions of the possessions of the United States it will become more and more important that there should be such a reservation on the part of the Government, subject to future legislation, if necessary, and to any powers, such as the power of governmental operation, vested in the Government under this bill.

Furthermore, Mr. President, it seems to me that the bill should not only authorize the Government to operate mines, but it should direct it to do so. The need for the supply of coal by the Government itself, at least for its own agencies, its own service, at cost, is so obvious that, it seems to me, it ought to be put into effect at once. It ought not to be left in the discretion of one of the bureaus that have been so severely criticized, which bureaus very frequently control the policy of the department, on account of the vast amount of work and the tremendous number of interests with which the heads of the departments have to deal. It seems to me that Congress, having recognized, as it evidently does recognize, and as the framers

of this bill and those who reported it recognize, the wisdom of the policy of a Government mine to supply its own needs, at least, that it ought to fix it by the command of law, and not leave it to the discretion of any administrative official.

Mr. President, further, it seems to me, that so long as the Government is going to operate a mine, we assume that it will do away with this waste and extravagance with the people's money of carrying coal for its cruisers and its battleships all the way around the continent; that, having the equipment of a mine, having the transportation facilities, having its own railroad, having its own ships, as it undoubtedly will have when the people are confronted, as they may be, and as they are now, not only in the East here but in the West, with oppressive and unreasonable prices for coal, the Government could relieve that situation by putting upon the market Government-mined coal.

Mr. SHAFROTH. Does the Senator remember that the average price of coal in the United States at the mouth of the mine is \$1.11 a ton; and does he say that that is oppressive?

Mr. POINDEXTER. I say that, when you consider the price the people have to pay for their coal, there is too much profit between \$1.11 at the mouth of the mine and the \$8 or \$9 in the homes of the people.

Mr. SHAFROTH. That arises from various conditions, which ought to be regulated and controlled; but this bill would not affect that.

Mr. POINDEXTER. It would affect it, Mr. President, if all the powers that are granted in this bill should be exercised. What I am advocating is that the bill should be so framed that those powers must be exercised; that the Government should be directed to open that large area of these lands which are now owned by the people, without impinging in any unreasonable way upon the opportunities of private operators or the commercial interests which may want the opportunity to make money by developing these resources. They will have one-half of these vast areas; but the Government should keep the other half; and the possibilities of oppression and monopoly would be forever done away with by Government ship lines, Government railroads, Government coal mines, Government bunkers, and Government coal markets in the great seaports of the Pacific coast. That is not socialism, because there would still be private mines.

It is said that the Government can not operate a mine economically. If that is true, if the Government can not operate a mine economically, then the private operator will not be injured. The advocates of private ownership and private operation will find no menace in a Government mine if, as they claim, it costs the Government more to operate it than it costs them.

Mr. WEST. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Georgia?

Mr. POINDEXTER. Certainly.

Mr. WEST. But the people own the Government, and will not the people be hurt if the money is spent without getting anything out of it in the way of proceeds?

Mr. POINDEXTER. Why, Mr. President, does the Senator say the people will not get anything out of it if they get one of the great necessities of life which comes from the public lands at a reasonable price?

Mr. WEST. That will only be confined to a section, but the whole people will own the Government mine, and if the Government goes into the business and makes it a losing business, then the people lose, just as would be the case with a corporation.

Mr. MARTINE of New Jersey. Mr. President, I can not imagine that the Senator from Georgia expects that the Government should go into the business for the sake of making money out of the people. Whether it pays or not, there is such a thing as paying that does not directly bring any money stipend, but does bring blessings that would pay you fivefold better, mayhap, than the money that might come in through profit. I think this profit idea is a very great mistake.

Mr. WEST. Mr. President, I take the position, and I hold to it unalterably, that the Government has no right to squander the people's money.

Mr. MARTINE of New Jersey. They would not squander it if they were to relieve the stern necessities of human life; they would be advancing the public interest.

Mr. POINDEXTER. Mr. President, I voted with a very good conscience, although I have been criticized for doing so, for large appropriations of public moneys for which the people of my State will get no return unless it be in a very indirect and remote way, but of which the people of the State of the Senator from Georgia will reap almost the entire benefit. We can not run this Government upon the theory, Mr. President, that it

must not do anything in the improvement of our lands and the control of our industries which does not universally affect every citizen in the country. There are a great many public uses which only affect certain sections; but in the combination of all of the utilities of the Government—of all the various services which the Government renders to the people, acting and reacting, one section upon another—the benefit has usually in the long run been distributed so that they all receive a fairly equal benefit from these public expenditures and activities.

Mr. WEST. Mr. President, I beg the Senator's pardon. The State of Georgia is not the lone recipient of the appropriations for which he says he has voted and to which he refers.

Mr. POINDEXTER. The Senator need not beg my pardon about that. It was not the Senator's fault. I do not regard it as anybody's fault. I was simply citing that as an illustration of the fact that we very often—

Mr. WEST. The Senator is simply mistaken in reference to the matter; that is all.

Mr. POINDEXTER. Why, Mr. President, does the Senator mean to say that there have been no public improvements in the State of Georgia, such as public buildings, paid for out of the Treasury of the United States? If there have been such improvements, can he point out what benefit the people of other States have obtained because of those improvements?

Mr. WEST. I did not make any such declaration. I merely said that Georgia was not alone the recipient of these benefits.

Mr. POINDEXTER. Georgia was alone the recipient of those particular benefits to which I have referred, just as my State is alone the recipient of other benefits. I am not criticizing the Senator or the Senator's State for that; but I say that such an extensive benefit as would come from making a reasonable price for coal for all the States bordering upon the Pacific Ocean, and those that could be reached from those markets, can not be characterized by any Senator as a private use or as a use which is not justified under the policies which we see put in force every day by the Congress.

Mr. STONE. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Missouri?

Mr. POINDEXTER. Certainly.

Mr. STONE. I desire to ask the Senator if it will suit his convenience to yield at this time for an executive session?

Mr. POINDEXTER. I yield for that purpose.

PROPOSED ANTITRUST LEGISLATION (S. DOC. NO. 585).

During the delivery of Mr. POINDEXTER's speech,

Mr. CULBERSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Texas?

Mr. CULBERSON. Will the Senator yield to me to make a privileged report? It will take but a moment.

Mr. POINDEXTER. I yield.

Mr. CULBERSON. On yesterday I submitted the report of the committee of conference on the disagreeing votes of the two Houses on House bill 15657. Since then it has been suggested that in certain particulars the report is not sufficiently explicit to give directions to the enrolling clerk. Therefore I withdraw that report and submit a new one, which covers the proposition. I ask that it be printed in the RECORD and as a document. The bill and amendments are not changed, but the report is changed so as to afford sufficiently explicit directions to the enrolling clerk as to what was the intention of the conferees. I ask that the report be printed in the RECORD and as a document in lieu of the report printed this morning.

The VICE PRESIDENT. May the Chair inquire of the Senator from Texas whether the document which came in this morning in parallel columns was incorrect?

Mr. CULBERSON. The bills in parallel columns are correct. It is only the conference report that is changed.

Mr. SMOOT. It is Senate Document No. 533, "Antitrust legislation conference report on House bill 15657."

The VICE PRESIDENT. Is there objection? The Chair hears none, and the request of the Senator from Texas is granted.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25, 35, 38, 42, 45, 46, 47, 53, 56, 59, 63, 80, 93, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 8, 9, 10, 11, 12; 13, 14, 15, 17, 19, 20, 21, 23, 24, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 40, 44, 48, 65, 66, 67, 68, 69, 70, 75, 79, 81, 82, 83, 85, 87, and 88; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment, insert the following:

"SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the figure "3" inserted by said amendment insert the figure "4"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 5. That a final judgment or decree hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: *Provided*, This section shall not apply to consent judgments or decrees entered before any testimony has been taken: *Provided further*, This section shall not apply to consent judgments or decrees rendered in criminal proceedings or suits in equity, now pending, in which the taking of testimony has been commenced but has not been concluded, provided such judgments or decrees are rendered before any further testimony is taken."

"Whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent, restrain, or punish violations of any of the antitrust laws, the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and

agree to the same with an amendment as follows: In lieu of the figure "5" inserted by said amendment insert the figure "6"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the figure "6" inserted by said amendment insert the figure "7"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; after the word "acquisition" and the comma thereafter, in line 16, page 7, insert "or to restrain such commerce in any section or community"; and after the word "or," in line 16, page 7, insert the word "tend"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; after the word "acquired" and the comma thereafter, in line 24, page 7, insert "or to restrain such commerce in any section or community"; and after the word "or," in line 1, page 8, insert the word "tend"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the words stricken out by said amendment insert the word "substantially"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: After the word "thereof," at the end of said amendment, add the words "or the civil remedies therein provided"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment strike out only the matter contained in lines 16 to 24, inclusive, page 9, and lines 1 to 17, inclusive, page 10; at the beginning of line 18, page 10, insert "Sec. 8"; after the word "association," in line 21, page 10, strike out the comma, and after the word "company," in the same line, insert a comma; after the words "United States," in line 22, page 10, insert a comma; strike out the figures "\$2,500,000," in line 24, page 10, and in line 3, page 11, and insert in lieu thereof in each instance the figures "\$5,000,000"; in line 16, page 11, after the word "association," strike out the comma, and in the same line, after the word "company," insert a comma; in line 17, page 11, after the words "United States," insert a comma; strike out the word "one," in line 18, page 11, and insert in lieu thereof the word "two"; and after the word "association," in line 23, page 11, strike out the comma; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In line 16, page 12, after the word "than," insert the following: "banks, banking associations, trust companies and"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: Change "Sec. 8" to "Sec. 9"; and after the words "accruing from" in said amendment insert the following: ", or used in,"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 11. That authority to enforce compliance with sections 2, 3, 7 and 8 of this act by the persons respectively subject thereto is hereby vested: in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associations and trust companies, and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows:

"Whenever the commission or board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections 2, 3, 7 and 8 of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a no-

tice of a hearing upon a day and at a place therein fixed at least 30 days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause shown may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such a hearing the commission or board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections 7 and 8 of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

"If such person fails or neglects to obey such order of the commission or board while the same is in effect, the commission or board may apply to the circuit court of appeals of the United States, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission or board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission or board. The findings of the commission or board as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 240 of the Judicial Code.

"Any party required by such order of the commission or board to cease and desist from a violation charged may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission or board as in the case of an application by the commission or board for the enforcement of its order, and the findings of the commission or board as to the facts, if supported by testimony, shall in like manner be conclusive."

"The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission or board shall be exclusive.

"Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

"Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person; or (c) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same."

And transpose the same to follow amendment 51.

And the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 10. That after two years from the approval of this act no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership, or association when the said common carrier shall have upon its board of directors or as its president, manager, or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership, or association, unless and except such purchases shall be made from, or such dealings shall be with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission. No bid shall be received unless the name and address of the bidder or the names and addresses of the officers, directors, and general managers thereof, if the bidder be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

"Any person who shall, directly or indirectly, do or attempt to do anything to prevent anyone from bidding or shall do any act to prevent free and fair competition among the bidders or those desiring to bid shall be punished as prescribed in this section in the case of an officer or director.

"Every such common carrier having any such transactions or making any such purchases shall within 30 days after making the same file with the Interstate Commerce Commission a full and detailed statement of the transaction showing the manner of the competitive bidding, who were the bidders, and the names and addresses of the directors and officers of the corporations and the members of the firm or partnership bidding; and whenever the said commission shall, after investigation or hearing have reason to believe that the law has been violated in and about the said purchases or transactions it shall transmit all papers and documents and its own views or findings regarding the transaction to the Attorney General.

"If any common carrier shall violate this section he shall be fined not exceeding \$25,000; and every such director, agent, manager or officer thereof who shall have knowingly voted for or directed the act constituting such violation or who shall have aided or abetted in such violation shall be deemed guilty of a misdemeanor and shall be fined not exceeding \$5,000, or confined in jail not exceeding one year, or both, in the discretion of the court."

And transpose the same to follow line 23, page 13.

And the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the figure "11" inserted by said amendment insert the figure "12"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "transacts business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the

figure "12" inserted by said amendment insert the figure "13"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the figure "13" inserted by said amendment insert the figure "14"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: Reinsert the matter stricken out by said amendment and insert the word "penal" after the words "any of the" and before the word "provisions," in line 15, page 14; and omit the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the figure "14" inserted by said amendment insert the figure "15"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the figure "15" inserted by said amendment insert the figure "16"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of "six, and seven," in said amendment insert "three, seven and eight"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the figure "16" inserted by said amendment insert the figure "17"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the figure "17" inserted by said amendment insert the figure "18"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: Reinsert the matter stricken out by said amendment, inserting the word "sixteen" in lieu of the word "fourteen," in line 5, page 18; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the figure "18" inserted by said amendment insert the figure "19"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: Strike out the comma after the word "employees," in line 18, page 18; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the figure "19" inserted by said amendment insert the figure "20"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: Reinsert the words stricken out by said amendment, and in lieu of the matter inserted by said amendment insert the following: " , whether singly or in concert," and strike out the comma after the word "advising," in line 12, page 19; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: Add a comma after the word "information," at the end of said amendment; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the figure "20" inserted by said amendment insert the figure "21"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the figure "21" inserted by said amendment insert the figure "22"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the figure "22" inserted by said amendment insert the figure "23"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the figure "23" inserted by said amendment insert the figure "24"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the word "twenty" inserted by said amendment insert the word "twenty-one"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the figures "24," inserted by said amendment, insert the figures "25"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Change "Sec. 27" to "Sec. 26"; and the Senate agree to the same.

C. A. CULBERSON,
LEE S. OVERMAN,
W. E. CHILTON,

Managers on the part of the Senate.

E. Y. WEBB,
C. C. CARLIN,
J. C. FLOYD,

Managers on the part of the House.

EXECUTIVE SESSION.

After Mr. POINDEXTER had yielded the floor, Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m., Thursday, September 24, 1914) the Senate took a recess until to-morrow, Friday, September 25, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate September 24, 1914.

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARIES.

Frederic Jesup Stimson, of Boston, Mass., to be ambassador extraordinary and plenipotentiary of the United States of America to Argentina, to fill an original vacancy.

Henry P. Fletcher, of Pennsylvania, now envoy extraordinary and minister plenipotentiary to Chile, to be ambassador extraordinary and plenipotentiary of the United States of America to Chile, to fill an original vacancy.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

First Lieut. Albert E. Phillips, Tenth Cavalry, to be captain from September 18, 1914, vice Capt. Lanning Parsons, Ninth Cavalry, retired from active service September 17, 1914.

Second Lieut. Richard E. Cummins, Tenth Cavalry, to be first lieutenant from September 18, 1914, vice First Lieut. Albert E. Phillips, Tenth Cavalry, promoted.

Second Lieut. Alexander L. James, Jr., Fifth Cavalry, to be first lieutenant from September 22, 1914, vice First Lieut. William F. Wheatley, Thirteenth Cavalry, who was dismissed September 21, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 24, 1914.

POSTMASTERS.

GEORGIA.

T. A. Adkins, Vienna.
John W. Wells, Adel.

MICHIGAN.

Salem F. Kennedy, Lakeview.

OHIO.

Adam E. Schaffer, Wapakoneta.

PENNSYLVANIA.

John A. Hughes, Lyndora.

C. C. Roseborough, Alexandria.

Willard H. Weigel, Elizabeth.

HOUSE OF REPRESENTATIVES.

THURSDAY, September 24, 1914.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty God, our heavenly Father, infinite in all Thine attributes, we realize our limitations, our frailties, our dependence upon Thee, and pray for Thy protection, care, and guidance, that amid the shifting scenes, perplexing problems which confront us through the advancing civilization, we may lean with greater faith and confidence upon Thee and yield to the persuasive call from within, come up higher and yet higher into the realms of purity, for it is writ that the kingdom of God is "as if a man should cast seed into the ground, and should sleep and rise night and day, and the seed should spring and grow up, he knoweth not how. For the earth bringeth forth fruit of herself; first the blade, then the ear; after that, the full corn in the ear," so may we trust, so may we strive, so may we advance to larger life and liberty under the spiritual leadership of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 1930) granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes.

The message also announced that the Senate had passed, with amendment, bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 18732. An act to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The message also announced that the Senate had passed without amendment joint resolutions of the following titles:

H. J. Res. 339. Joint resolution to correct an error in H. R. 12914;

H. J. Res. 342. Joint resolution to correct an error in H. R. 12914; and

H. J. Res. 335. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States, was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House that the President had approved and signed bills and joint resolutions of the following titles:

On August 27, 1914:

H. R. 14155. An act to amend an act of Congress approved March 28, 1900 (31 Stats. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College, and a western branch of the State Normal School thereon, and for a public park.

On August 29, 1914:

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912.

On September 2, 1914:

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes; and

H. J. Res. 327. Joint resolution to correct error in H. R. 12045. On September 5, 1914:

H. R. 1657. An act providing for second homestead and desert-land entries.

On September 9, 1914:

H. J. Res. 330. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved April 24, 1914;

H. R. 2167. An act to fix the time for holding the term of the district court in the Jonesboro division of the eastern district of Arkansas; and

H. R. 17442. An act to amend section 103 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the acts of Congress approved March 3, 1913, and June 6, 1914.

On September 11, 1914:

H. J. Res. 334. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914; and

H. J. Res. 337. Joint resolution to provide for representation of foreign Governments growing out of existing hostilities in Europe and elsewhere, and for other purposes.

On September 19, 1914:

H. J. Res. 311. Joint resolution instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

On September 23, 1914:

H. R. 9318. An act to amend the act approved June 25, 1910, entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes"; and

S. J. Res. 166. Joint resolution authorizing the President to designate two officers connected with the Public Health Service to represent the United States at the Sixth International Sanitary Conference of American States, to be held at Montevideo, Uruguay, in December, 1914, and making an appropriation to pay the expenses of said representatives, and for other purposes.

On September 24, 1914:

H. R. 6433. An act to relocate the headquarters of the customs district of Florida.

EMERGENCY REVENUE LEGISLATION.

Mr. HENRY. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 629 (H. Rept. 1164).

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of H. R. 18891. "A bill to increase the internal revenue, and for other purposes"; that said bill shall be considered in the House as in the Committee of the Whole, and the same shall be the continuing order of the House until disposed of; that there shall be not exceeding seven hours of general debate, to be equally divided between those supporting and those opposing the bill, one-half of such time to be controlled by the gentleman from Alabama [Mr. UNDERWOOD] and one-half by the gentleman from New York [Mr. PAYNE]. At the conclusion of such general debate the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit: *Provided*, That the following amendment shall be considered as offered and agreed to, to wit:

First. Line 12, page 3, after the word "gasoline," insert the words "motor spirits."

Second. Lines 12 and 13, strike out the word "similar."

Mr. HENRY. Mr. Speaker, I would like to ask the gentlemen across the aisle whether they wish to debate the rule?

Mr. CAMPBELL. Mr. Speaker, we would like to debate the rule on this side.

Mr. HENRY. How much time does the gentleman think his side would desire?

Mr. CAMPBELL. We should like to have two hours if we can get it.

Mr. HENRY. It seems to me as if that would be a little extravagant.

Mr. MANN. Tell us what you are going to do to us and do not bother us in this way.

Mr. CAMPBELL. I would be glad to have a suggestion from the gentleman.

Mr. HENRY. I assume the rule will be adopted. I have no objection to 1 hour's time, and would yield the gentleman 30 minutes of that time if that is satisfactory.

The SPEAKER. The gentleman from Texas offers to yield 30 minutes to the gentleman from Kansas.

Mr. CAMPBELL. Small favors are thankfully received.

Mr. HENRY. Mr. Speaker, I do not know how my remarks could make the rule any plainer. It seems to me it is perfectly plain. It has been carefully drawn, and I think most everybody understands the object of the proceedings. Mr. Speaker, this is the first time I find myself at a loss for anything to say by way of elucidation, because everything has been said in the rule. Therefore I reserve the balance of my time.

The SPEAKER. The gentleman from Kansas is recognized for 30 minutes.

Mr. CAMPBELL. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. LENROOT]. [Applause.]

Mr. HENRY. If the gentleman will pardon me for just a moment, I desire to ask that the gentleman from Georgia [Mr. HARDWICK] control my time during my absence.

Mr. CAMPBELL. All right.

Mr. LENROOT. Mr. Speaker, there is about to be written another chapter in the history of Democratic achievements. Its title will be "The hypocrisy and incompetency of the Democratic Party." [Applause on the Republican side.] It will tell the story of the passage of an indefensible rule for the purpose of passing an indefensible bill increasing the taxes to the American people by \$105,000,000. The rule absolutely prohibits the offering of all amendments and limits debate to seven hours. Mr. Speaker, since the Democrats came into power in this House I have repeatedly called attention to the fact that they supported and indorsed the very system which they unanimously condemned when they were in the minority, and their opposition to that system contributed more than any other one thing to their Democratic majority. When the Republicans were in power a small group upon this side of the aisle fought rules of this character, the only distinction being that those rules were far less drastic than the rule the Democrats propose to-day. Then the small group on this side of the aisle had the support of every Democrat in the House. I can see no difference, Mr. Speaker, between a gag rule under what was called "Cannonism" and a gag rule under "Underwoodism." I was against such rules then; I am against such rules now. You were against such rules then; you are for them now. [Applause on the Republican side.]

And there is this, Mr. Speaker, to be said in favor of those Republicans who supported those rules then. They were not hypocrites. They defended them as best they could, and they finally went down to defeat in honorable surrender, and that issue is now settled in the Republican Party. [Applause on the Republican side.] I contributed my mite to the overthrow of what was known as "Cannonism," and I have no regrets. But, Mr. Speaker, I have a great deal more respect for Ex-Speaker Cannon and for Republicans who fought with him than I have for any man to-day on the Democratic side who was a Member of the Sixty-first Congress and will vote for this rule. [Applause on the Republican side.] There will, however, Mr. Speaker, be one honorable exception when the roll is called, and that will be the Speaker of this House himself [applause], for you, sir, have recently publicly announced that you will never vote for rules of this character. I congratulate you upon the fact that you will vote against this rule. And when this roll is called, Mr. Speaker, Democrats on that side of the aisle will determine whether they will follow the leadership of CHAMP CLARK, to keep the promises of the Democratic Party, or follow the leadership of OSCAR UNDERWOOD on this rule. [Applause on the Republican side.]

Mr. Speaker, I would have more respect for the Democratic majority if they would openly and aboveboard say that they are in favor of the things now that they were opposed to four years ago. But they are deliberately and willfully trying to deceive the American people. I hold in my hand a pamphlet gotten out by the Democratic congressional committee, entitled "A Record of Achievement," and upon the first page of this pamphlet there are given certain quotations from the speeches of President Wilson. I shall read just one or two lines from them. They quote first from his speech of acceptance, wherein he says:

I could not have accepted a nomination which left me bound to any man or any group of men.

Who is there on your side of the aisle to-day who can say he is not bound to any man or group of men? [Applause on the Republican side.]

He says further:

No man can be just who is not free.

Who is there on your side of the aisle who is free to-day? [Applause on the Republican side.]

A little further on in this document I find this language, under the heading "Change of House rules":

Keeping its pledges in the campaign of 1910, the Democratic House has so revised its rules that the czarism which characterized the control of the House under Republican rule is a thing of the past.

[Laughter.]

Czarism a thing of the past, and you solidly voting for this gag rule! [Applause on the Republican side.]

One more quotation, Mr. Speaker. I wish I had further time to give more of them. Under the head of "Closer relations with Congress" I find this:

By his action in appearing at the Capitol and addressing Congress in person on the state of the Union and its needs, the President gave emphasis to his belief in a return to government by public discussion.

What discussion are you giving us here?

I quote further:

He put an end to government by secret conferences and private arrangement.

[Applause on the Republican side.]

Mr. Speaker, the American people are intelligent, and they are going to judge your action here, not by what this campaign booklet says, but they will form their judgment by the vote that you are to cast within an hour, more than by any other one thing that you will do.

Mr. Speaker, I have spoken strongly and earnestly upon this question, but I have not spoken as a partisan. [Laughter on the Democratic side.] Since I have been a Member of this House no man on either side of this aisle has ever accused me of partisanship. I have supported your President and my President. Upon all matters of foreign policy we have supported him as loyally as you have, even though questioning the wisdom of some of his policies, believing that upon such matters it was more important that he have a united country behind him than any close scrutiny of the particular wisdom of a particular policy. I have supported bills coming from your side time and time again, and in committee and upon the floor I have done what I could to help to perfect them, knowing that the Democratic Party would take the entire credit for them. I am occupying the same position upon this floor to-day, Mr. Speaker, that I occupied when the Republicans were in power. And so I say, and I have a right to say, that I am not speaking from a partisan standpoint, and if I were a Member upon the Democratic side of the aisle to-day—and I am thankful I am not—instead of being on the Republican side, I would make exactly the same kind of a speech that I have made.

Mr. Speaker, I yield back the balance of my time. [Loud applause on the Republican side.]

The SPEAKER. The gentleman from Wisconsin yields back one minute.

Mr. HARDWICK. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT]. [Applause on the Democratic side.]

Mr. GARRETT of Tennessee. Mr. Speaker, a few days ago the President of the United States in the performance of a solemn duty imposed upon him by the Constitution of the country, appearing personally before the Congress, addressed it upon the state of the Union. In that address he informed the Congress that owing to conditions with which we are all more or less familiar it was deemed necessary that provisions should be made for the raising of \$100,000,000 of revenue. The bill under which the country has been operating for the last several months from the revenue standpoint has been a satisfactory bill, but a condition arose in Europe for which no one here was responsible, which caused a practical cessation of imports from the great productive areas of that Continent from which we have been accustomed to draw the major portion of our customs duties.

I take it, sir, that before the message of the President all thoughtful men here and elsewhere in the country realized that the time would come, on account of the chaotic conditions produced there, when it would be necessary to increase the revenues here. There were differences of opinion as to how it should be done; there were differences of opinion as to when it should be done; but after the President of the United States, acting upon his responsibility and performing a duty laid upon him by the Constitution, had advised this body of the state of the Union, I think there came a unanimity of sentiment. But, sir, what did we find? Immediately following that address we received notice—it became a matter of common knowledge—that the members of the minority party in this body and in the other coordinate legislative branch, did not intend to arise to the performance of a patriotic duty, but intended to embarrass every movement in order that they might play petty partisan politics. [Applause on the Democratic side.]

The Democratic caucus met, suggested to the members of the Ways and Means Committee, charged with the duty of reporting the revenue bill, certain lines of procedure, leaving them to work out the details. That action was followed, and the bill has been presented. The minority report has been filed, and that minority report declares that no bill is necessary, and that no suggestion of a bill, whatever it may be, will receive support on the minority side. [Applause on the Republican side.] That, sirs, being the case, they declining to participate in these activities except in the line of opposition and of obstruction, the majority party, having the responsibility, must meet it independently of the action of the other side, and we have taken here the plain, simple way of performing that duty.

These gentlemen on the minority side do not wish to amend the bill. According to their minority report, let them write it, and even then they would not vote for it. What, then, is the duty of the responsible party now? The duty is to act quickly and speedily in this emergency; to take the action that has been determined to be necessary.

We have had notice given—it is a matter of common knowledge—that in another body the minority intends to obstruct this bill in every way possible. If it is to become a matter of physical exhaustion, if legislation is to be settled not upon intellectual lines but upon the question of who can stand longer physically, then we had better pass this bill quickly in order that the physical grind may begin. [Applause on the Democratic side.]

This bill has been carefully thought out by the committee charged with that responsibility. It will perhaps not be a popular bill.

Mr. BUTLER. No. [Laughter on the Republican side.]

Mr. GARRETT of Tennessee. No tax is popular. Every man says, "Tax the other man." But it has been worked out thoughtfully and carefully along well-approved lines, following in the main a beaten path. Whatever we might do, whatever concessions might be made to the minority, it has given us official notice that it will not support us, but that it will stand as an obstructor to all this legislation; and for that reason, because of that official notice, because of the fact that even if permitted to amend they would still oppose it, I submit, sir, that we are justified in taking the plain, simple, direct course, exercising that responsibility which rests upon us as the party responsible for the running of this Government. [Applause on the Democratic side.]

I yield back the remainder of my time, Mr. Speaker.

The SPEAKER. The gentleman from Tennessee yields back one minute.

Mr. CAMPBELL. Mr. Speaker, will the gentleman from Georgia [Mr. HARDWICK] use more of his time now?

Mr. HARDWICK. Has the gentleman any more speeches on that side?

Mr. CAMPBELL. One.

Mr. HARDWICK. I yield five minutes to the gentleman from Kentucky [Mr. CANTRELL].

The SPEAKER. The gentleman from Kentucky [Mr. CANTRELL] is recognized for five minutes.

Mr. CANTRELL. Mr. Speaker, the distinguished gentleman—

Mr. CAMPBELL. I beg the gentleman's pardon. Did the gentleman from Georgia [Mr. HARDWICK] understand that there would be only one speech on this side?

Mr. HARDWICK. Yes.

Mr. CAMPBELL. I understood the gentleman from Georgia to say that there would be only one speech on that side.

Mr. HARDWICK. The gentleman had better proceed, then.

Mr. CAMPBELL. Mr. Speaker, another tariff for revenue only has failed to produce enough revenue to meet the extravagant expenditures of a Democratic Congress. [Applause on the Republican side.]

On other occasions, when a Democratic tariff for revenue only has failed to produce enough to meet Democratic demands for appropriations, you have sold bonds or offered them for sale to meet the deficiency. On this occasion you have changed your policy and propose to tax the people directly to make up the deficit.

The President in his address on the 4th day of this month from this rostrum gave as an excuse for his request upon Congress for this additional tax upon the people that our revenues had fallen off in the month of August, making an additional tax upon the people necessary. The President referred only to the falling off in our revenues for the month of August of this year, after the war in Europe began. If he had been disposed to give Congress and the country all the information he had in his possession he could have stated that under the tariff bill

passed by this Congress on the 3d day of October last the revenues had been constantly falling off. [Applause on the Republican side.] For the month of January, 1914, the failure of revenue amounted to \$5,806,044.26. For the month of February the falling off in revenue amounted to \$9,995,512.13, almost as much as in the month of August, to which the President pointed with so much alarm from this rostrum a few days ago. There has been a falling off in the revenues of the Government from customs sources every month since January up to the present time. [Applause on the Republican side.]

The war in Europe is a feeble excuse for the decline in our revenues, even when offered by the President of the United States. The failure in our revenues from customs sources was inevitable. The President says that our imports have decreased. On the contrary, our imports have increased, but our revenues have decreased. [Applause on the Republican side.]

The President says that the Treasury could get along with the money that it has if it were not for the fact that the administration has deposited \$75,000,000 in certain national banks in certain portions of the country. This money is subject to the call of the Treasurer of the United States. Let me read from the President's message of September 4:

Approximately \$75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

When, I ask in the name of the American people, did it become the policy of this Government to impose burdensome direct taxes upon the people to enable an administration to deposit large sums of money in certain national banks in certain sections of the country? [Applause on the Republican side.] A free people will willingly bear the burden of taxation when necessary to sustain their government in a defensive war, but it is an insult to the intelligence of the American people to assume that they will willingly pay taxes to enable any administration to deposit money out of the Treasury of the United States in national banks in any portion of our country. [Applause on the Republican side.]

The people of the country have been told that this is a war tax. But we are at peace with all the world. Our country is not at war. You proclaim to the world that you have won victories by "watchful waiting" and are at peace with all mankind. [Applause on the Democratic side.] In the face of that fact, how can you justify a war tax upon the American people? [Applause on the Republican side.]

Do you expect to fool the people? Do you think that they can be deceived by the mere pretense that this is a war tax, when we are at peace with all the world? Ah, no; the poor who in the hour of their necessities are compelled to make notes and mortgages, upon which you propose a stamp tax, will not be deceived. Every one of them will know that they are taxed to supply the Treasury, as the President requests in his message, for money to enable the administration to maintain large deposits in national banks. [Applause on the Republican side.]

Can you Populistic Democrats go before your constituents in defense of that sort of taxation? You were elected to Congress because you said you would reduce the burdens of the people. You to-day propose, before two years have passed, to increase their burdens; and for what? The cost of living is as high or higher than ever. Your appropriations are more extravagant and profligate than those of any Congress in our history. [Applause on the Republican side.] And yet you complain because there is opposition to your bill, and that is made the excuse for bringing in a gag rule, the iniquity of which has never been equaled in any Congress. The gentleman from Tennessee [Mr. GARRETT] says the rule is made necessary because it has been announced that the Republicans will oppose this bill. When did it become necessary in the American Congress to prepare and pass gag rules because it was announced that an administration measure like this could not have the unanimous support of the Congress? [Applause on the Republican side.]

When the Underwood bill was under consideration, you boasted that every item was open to amendment and debate. You propose to pass this bill in the House as in the Committee of the Whole, without an opportunity to offer an amendment to a single item or to vote upon any item in the bill. What is your defense? The necessity for raising money by burdensome taxes upon the people to enable the Treasury to deposit money in the national banks? Oh, you Democrats, when was Congress empowered to use the taxing power for such a purpose? Yet that is the excuse upon which the President largely rested his case.

Mr. Speaker, the fact is that you are driven to this action because of the failure of your new freedom; the failure of your new constitution of peace; the failure of your tariff for revenue to supply the Treasury with sufficient money to meet your extravagant expenditures; the failure of your policies to revive a widespread depression that exists all over the country; the failure of the balance of trade in our favor in our commerce with the world, making it necessary to export the gold of the country to pay our trade balances to the largest extent since you were in power before; in short, the failure of the administration to successfully manage the affairs of the Nation. These are the conditions that have made the deficit in the Treasury. These are the conditions that make it necessary for the administration to bring in this measure for a burdensome tax under this gag rule. [Applause on the Republican side.]

Mr. Speaker, I reserve the remainder of my time.

Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 10 minutes remaining.

Mr. HENRY. How much time have I left?

The SPEAKER. Twenty minutes.

Mr. HENRY. I yield five minutes to the gentleman from Kentucky [Mr. CANTRILL].

Mr. CANTRILL. Mr. Speaker, the distinguished gentleman from Wisconsin [Mr. LENROOT] has made a statement which I can not permit to go unchallenged when he charges that the Democratic Party in this Congress is pursuing the same tactics that were pursued by the Republican Party under the leadership of Speaker Cannon.

Mr. AINEY. Worse.

Mr. CANTRILL. As a matter of fact, there is a very radical difference in the procedure of this House under Democratic rule, and no one knows it better than the distinguished gentleman from Wisconsin. Under Republican rule the Speaker of this House appointed every committee. Each Member upon this floor was a pawn in the hands of the Speaker, to be placed where the Speaker desired to place him for his own selfish interests and for the selfish interests of his party. [Applause on the Democratic side.] Under Democratic control the membership of this House selects its committees. The Speaker of this House does not designate a single Member to a committee place in the House, and under the rules the Speaker under Democratic administration is not permitted to have membership upon the Committee on Rules. Under the Republican system the Speaker of this House was the Czar who absolutely controlled legislation in this House. If any man placed upon a committee did not serve the Speaker's will, he was removed by the Speaker from that committee, and every man knew that in his service on committees he had to bow to the will of the Speaker or lose his committee assignment. But as it stands to-day, as nearly as it is possible to make it, the legislation of this House is in the control of the membership of this House. Aye, more than that, Mr. Speaker, under Republican administration the Speaker of this House appointed the minority membership on the committees. When the Republican Party was in control the Republican Speaker designated every Democrat to serve upon committees. Under Democratic administration the gentlemen upon that side of the aisle in their own caucus select their own committeemen and the Democratic Party in control of this House assign your Members to the committees as you gentlemen of the minority select them.

I want to submit to the membership of this House and to the country that under the control of the Democratic Party to-day, under the rules which are in operation, this House controls the legislation and the Speaker of the House does not control it, as under Republican rule. You gentlemen remember well how it used to be. No individual Member upon the floor of this House could secure recognition from the Speaker unless he first went to the Speaker's room and humbly fell upon his knees and secured the permission of the Speaker in order that, as a Member of this House, he might exercise his constitutional right to stand here in his place and address the membership of this House; and I appeal to you gentlemen on that side, in the spirit of fairness, is there a single one of you on that side of the House who will rise in his place and say that under Democratic administration Speaker Clark has not conceded to every Member upon that side as well as upon this side every right and privilege to which he was entitled? [Applause.] More than that, you gentlemen upon that side have publicly conceded that he gave you every right to which you were entitled. The statement of the distinguished gentleman from Wisconsin [Mr. LENROOT] can not go unchallenged that the Democratic party is pursuing the same gag rule that was in operation when the Republicans were in control of this Congress. [Applause on the Democratic side.]

Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. KELLY]. [Applause.]

Mr. KELLY of Pennsylvania. Mr. Speaker, I feel sure that the statements made by the gentleman from Kentucky [Mr. CANTRILL] will not in any way deceive the people of this country when they realize that there is such a thing as making a promise and then violating it by refusing its substance. This is a gag rule, with all the powers of the most vicious gag rule. It has been brought out from the Committee on Rules, and to my mind the most important thing to be considered at this time is the fact that the Rules Committee has such absolute power that it can take this bill, without previous consideration even by a caucus, and force its immediate consideration without right of amendment. The gentleman from Kentucky [Mr. CANTRILL] states that the committees are under the control of the House at the present time, and that they were not under the control of the House under Speaker Cannon. The House has absolutely no power over the Rules Committee; it has no power over any committee of this House. There is a shadow rule which provides for a motion to discharge committees. Not one single motion has ever been brought before this House in the Sixty-third Congress to discharge a committee. Motion No. 1 on the calendar, put there on the 1st day of December, the very first day that a motion of that kind could be presented, is still on the calendar, and has never been reached. Not once in the long and strenuous sessions of this Sixty-third Congress has that order of business been reached, and it will not be reached; it was never intended to be reached. By a shadow reform this rule was put in the rules, but it is absolutely useless.

In practice no committee can be discharged from consideration of any bill, however meritorious; it could scarcely be done under this rule, even if such order was reached, which is impossible. Aside from this shadow reform, the Rules Committee can not be reached even under this procedure, and it has a right to report at any time a gag rule of this kind, but the House can not compel it to act. I believe, with the gentleman from Wisconsin [Mr. LENROOT], who gave us such splendid exposition of this system in operation, that no lover of a square deal can possibly vote for the rule under consideration. It is a rule that shuts off any right of amendment, gives no chance whatever for the real expression of the House. I feel that if the gentleman from Kentucky [Mr. CANTRILL] really wants to make a reform in the system, if he really wants to make a change from Cannonism, there should be some provision whereby the House of Representatives would have control over its committees, which it does not have at the present time.

Here is a bill which proposes to levy \$1 additional tax upon every man, woman, and child in the Nation. It proposes to add \$5 to every family of the 20,000,000 families of this Nation. It is based upon the theory of protection—that the people of the country should pay for expenses of the Government in return for governmental protection. Why not give them the protection for which they are already paying? Since the war has broken out in Europe prices have advanced on the necessities of life in this country from 10 to 25 per cent. This morning I called on the Department of Commerce and got the actual figures on 15 articles of food used by the average workingman and the average family of this Nation. The average increase from the 15th day of July to the 15th day of August was 20 per cent on those 15 articles in New York City, and other cities show the same condition. Twenty per cent advance in the cost of living in one month's time means tragedy for the average American. The Bureau of Labor Statistics shows the average family spends \$326.90 a year for food; and add 20 per cent to that and you have what each of these 20,000,000 families of the Nation is paying in the nature of a war tax already. That is a matter that this Government has not yet undertaken to remedy. I want to know why this Congress does not touch that question, why it refuses to consider a question which means the welfare of every individual. If the House carried out the will of the people, it would effectively end the depredations of food pirates, even if it took possession of food supplies and distributed them to the public.

I am opposed to this rule, and I am opposed to the bill, which lays added and unnecessary burdens upon the people. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. CAMPBELL. Mr. Speaker, I yield two minutes to the gentleman from Alabama [Mr. HOBSON].

Mr. HOBSON. Mr. Speaker, I am opposed to this rule for the sole reason that it prevents amendment. The temperance and prohibition forces of America are opposed to the provisions of the bill taxing intoxicating liquors. This rule prevents

any chance of striking these provisions from the bill. Therefore, for that reason, I am opposed to the rule. In general debate I will endeavor to set forth the reasons for the opposition of the prohibition and temperance forces. I yield back the balance of my time, or will yield it to the gentleman from Missouri [Mr. DECKER], with the consent of the gentleman controlling the time.

The SPEAKER. The gentleman can not do that. The gentleman from Alabama yields back one minute of his time.

Mr. CAMPBELL. Mr. Speaker, I yield four minutes to the gentleman from Ohio [Mr. FESS]. [Applause on the Republican side.]

Mr. FESS. Mr. Speaker, the justification for this rule was stated by the able and amiable gentleman from Tennessee [Mr. GARRETT]. I take it that that is the expression of the committee, and it probably will be the expression in the vote of that side of the House. He said that they justified their position in their inconsistent action when compared with their contention in the past upon the ground that this side of the House is opposed to this measure. Certainly that is the reason they are going to cut off debate. Why should there be any cutting off of debate if there is not going to be opposition to the resolution? And you want to prevent the opposition stating their argument against this abominable measure, and you are going to gag this side of the House and prevent anybody being heard in extenso. There is no doubt about the purpose of it. That is one cause of the opposition to it. The gentleman from Tennessee places that opposition upon the basis of unpatriotic attitude on the part of this side of the House. How was it in 1898, when the armies of this Nation were arrayed against a foreign foe of this country and our troops and marines were landing in Cuba? Was it patriotism then to oppose an emergency measure? Is it unpatriotic now to oppose an unnecessary burden of \$105,000,000 upon the people of this country in time of peace, and was it patriotic to oppose the imposition of a burden at that time, in time of war? [Applause on the Republican side.] The gentleman from Tennessee [Mr. GARRETT] represents a party which was then in the minority, and we brought in a bill, and at that time gave 17 hours and 5 minutes to debate, with perfect freedom to amend it. In addition, we occupied the whole of the 29th of April to read the bill under the five-minute rule, and gave you on that side an opportunity to offer amendments or a substitute. You did offer a substitute of an income tax, or rather attempted to amend by requiring an income tax to be levied, which you knew would be unconstitutional, for it had been pronounced so by the Supreme Court just shortly before that time. [Applause on the Republican side.] Now you are opposed to putting the income tax in operation because you can. Then you were in favor of putting it in operation because you knew you could not. [Applause and laughter on the Republican side.] One hundred and thirty-one Democrats sat in that Congress, and 129 of them voted against a war measure that was necessary to support the armies in time of war. [Applause on the Republican side.]

Mr. Speaker, I am not charging these men with unpatriotic conduct. They include the Speaker of this House, the gentleman from Missouri [Mr. CLARK]. He voted against the bill at that time. They include the gentleman from Alabama [Mr. UNDERWOOD], the author of this bill, who voted against the war measure at that time. They include 15 other Members who are Members of the Sixty-third Congress and sit on this floor at this time. They all opposed it, and yet you come in now, in a time of peace, so far as this country is concerned, and you are going to saddle this burden upon the people, and you charge us with unpatriotic conduct because we refuse to allow you to do it without a struggle. Mr. Speaker, as a Member of this body, composed of 434 other Members, which body ought to be the greatest legislative body in the world, representing a hundred millions of people, I protest against being denominated unpatriotic when I refuse to saddle a burden upon the people when it is absolutely unnecessary if we would but retrench in our expenditures. Whatever may be the rules of the House, for myself I prefer that it be under the leadership of the Speaker of the House, whoever he may be, to the leadership of the majority leader, whoever he may be. It is better to be ruled by the head of the whole House than by the head of a faction of that House. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. HENRY of Texas. Mr. Speaker, has the gentleman from Kansas exhausted his time?

The SPEAKER. The gentleman from Kansas has one minute remaining.

Mr. CAMPBELL. Mr. Speaker, I yield one minute to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, knowing that on this side of the House we are about to be gagged and bound, we still have the liberty of making a protest. Mr. Speaker, it would be unfair for me to exult as a political proposition at these funeral exercises of the Democratic Party. [Applause on the Republican side.] As I look at the doleful faces on the other side of the aisle, conscious now that they are marching to destruction, I feel sorry for them and sorry for the people that they are in power; but when I remember that shortly after the election in November the Republicans will again be in control, I congratulate the country on the relief. [Applause on the Republican side.]

Mr. HENRY. Mr. Speaker, just after the Maine election, I doubt whether the gentleman is much of a prophet.

Mr. ADAMSON. Will the gentleman yield?

Mr. HENRY. Yes.

Mr. ADAMSON. Does not the gentleman think that the gentleman from Illinois can remember a good deal better now than he will be able to after election?

Mr. HENRY. I think that is very likely. Mr. Speaker, I yield 14 minutes to the gentleman from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Speaker, it is always unfortunate for those who are responsible for the government of a great country to be compelled to levy taxes. But governments must exist for the good of the people and taxes must be levied in order that governments may exist. I do not intend at this time to discuss the necessity for the passage of this bill nor give the reasons why its immediate passage is necessary at this time, for I expect to do that when the bill comes before the House within the next hour. I merely take advantage of this opportunity to discuss the pending rule.

Gentlemen on that side of the House in their debate this morning have said that it was necessary for the Democratic Party to pass this rule. They were never more mistaken in their lives. Since the first hour the Democratic Party came into control of this House, more than three years ago, it has never been necessary for it to pass a rule to do business, because the Democratic Party stands as a militant party, representing the common masses of the American people, and always ready to unite in the case of an emergency and do their duty for the common good. [Applause on the Democratic side.]

This rule is not proposed from a matter of necessity. You have seen since the Democratic Party came into power, but not while you were in power, great tariff bills passed through this House without a rule and without cloture. It would only be a question of days whether we passed this bill under a rule or without a rule, and you know as well as I know that when you attacked this bill, if it was brought in here without a rule, that you could make no more impression on the integrity of the bill by throwing amendments against it than you did on the tariff bill and other great measures which it has been necessary for us to present to this House in the interest of the American people. [Applause on the Democratic side.]

You confess that in your report. Your report says that you do not want to offer any amendments. This talk of your being gagged is mere subterfuge. Your leaders say that they have no amendments to offer; that they merely propose to resist the passage of the measure. Is it gagging you when you have no desire to make a proposal? Here is what you say in your report?

To suggest a substitute is useless. The absurd and tyrannical rule adopted by the Democratic majority in the Sixty-second Congress, under a ruling made when the Underwood tariff bill was pending, prohibits all amendments introducing new articles for taxation. We quote the rule, page 406, Rules of the House of Representatives, Sixty-second Congress, Rule XXI, paragraph 3:

"No amendment shall be in order to any bill affecting revenue which is not germane to the subject matter in the bill; nor shall any amendment to any item of such bill be in order which does not directly relate to the item to which the amendment is proposed."

This drastic rule was extended by construction, and rendered more drastic by a parliamentary decision.

As a matter of fact, you have always carried in your own rules before the proposition that amendments to a pending bill must be germane, and necessarily so, or the Congress could never complete its labor; necessarily so, that the work of your committees may be protected and that undigested matters may not be thrown before the Congress to divert attention from meritorious bills under consideration in the House. So that you holler "gag rule" and you admit that you do not want an amendment. Why, if my distinguished colleague on the Ways and Means Committee, the leader of the minority on that committee and its former chairman, was called on to-day to offer a

substitute for the pending bill, he could not do so; aye, more, he would not do so. [Applause on the Democratic side.] You have no desire to amend this bill; you want to defeat it.

Mr. PAYNE. If the gentleman will permit me, there is one amendment I would like to offer.

Mr. UNDERWOOD. What is it?

Mr. PAYNE. I would offer an amendment to strike out all after the enacting clause.

Mr. UNDERWOOD. That is exactly what I said. The gentleman concurs with me entirely in that proposition. The only amendment he would make to the bill if opportunity is given is an amendment to defeat the bill, and if he gets votes enough he will have the opportunity to do that without amendment. [Applause on the Democratic side.]

Now, as to the time for general debate fixed in this bill, I was not in the Rules Committee when the time for general debate was agreed upon.

Why, I understand that the limit of seven hours for general debate on this bill was voted for by the minority members of the committee.

Mr. LENROOT. Will the gentleman yield?

Mr. UNDERWOOD. Certainly.

Mr. LENROOT. I know the gentleman wants to be accurate.

Mr. UNDERWOOD. Certainly.

Mr. LENROOT. Does the gentleman state the minority voted only for seven hours?

Mr. UNDERWOOD. I understood seven hours was placed in the resolution by the votes of the minority of the committee.

Mr. LENROOT. Because that is all the minority could get; they wanted more.

Mr. UNDERWOOD. Evidently the minority had the power to make it seven hours. They evidently had power to make it more if they wanted more. [Applause on the Democratic side.]

Mr. LENROOT. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. LENROOT. By one vote, your chairman, we got the seven, and the rest of your party voted against that.

Mr. UNDERWOOD. Well, you got what you asked for; that is what I am saying. [Applause on the Democratic side.] Now, Mr. Speaker, why is it necessary at this time, or why is it not only necessary but expedient at this time, that this rule should be adopted? The Democratic Party through the history of this Congress and the last one has been more liberal in debate and more liberal to the minority in the consideration of bills than the Republican Party ever was in the number of years I served in this Congress when they were in control, and I have stated a number of times myself, and I have heard the same sentiment voiced by my colleagues on this side of the House, that the minority were entitled to be heard and they were entitled to have a reasonable opportunity to offer their views when they were ready to transact business in a legitimate way; but I have stated many times before, and I am willing to stand for the proposition now, that when the minority in this Congress, or any other Congress, seeks by dilatory tactics, attempts by delay and filibustering methods, to prevent the passage of legislation to protect the Government of the United States, then there is no reason why the majority, those in control of the Government, those responsible to the people of the United States, should temporize with the question one moment. [Applause on the Democratic side.]

When that time has arrived it is not only right but it becomes the duty of the majority to give notice to the unwilling minority that they can not filibuster; that they can not delay measures that are necessary to protect the Government of the United States. [Applause on the Democratic side.] Some days ago, before this measure was even formulated by the majority members of the Committee on Ways and Means, before it had been acted upon by the Democratic caucus, your party in conference or caucus assembled met and resolved to lay across the path of any bill that the majority of this House should bring before the House to protect the Treasury of the United States. [Applause on the Democratic side.] And, more than that, before we had announced our views, before we had proposed this measure, a conference or a caucus of the Republican Members of another body that must act on this, if I may judge from what I read in the papers, gave notice that they proposed by dilatory methods to lay across the track of this bill to its final passage.

Mr. MANN. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. MANN. I did not hear what the gentleman said. Did the gentleman say the Republican caucus of the House in any way gave an indication of obstruction?

Mr. UNDERWOOD. I stated that the Republican caucus of the House, and I got my information from the newspapers, and

I have not seen it denied, stated that they would resist the passage of a bill to raise more revenue before they knew what the bill was or before it was formulated either by the Democratic members of the Committee on Ways and Means or the Democratic caucus.

Mr. MANN. Well, if the gentleman will permit—

Mr. UNDERWOOD. And I understood from the papers—they may have incorrectly represented the gentleman from Illinois, but from the information I gathered from the papers the caucus of the minority took that action on the motion of the distinguished gentleman from Illinois, the leader of his party. [Applause on the Democratic side.]

Mr. MANN. Mr. Speaker, the Republican caucus was open so that the gentleman's misinformation is not warranted in any way whatever.

Mr. UNDERWOOD. Well, I will be glad for the gentleman to state what his motion was if I incorrectly represented him.

Mr. MANN. I did not make any motion. Now, how the gentleman got any such information from the papers I do not know, but the Republican caucus expressed the opinion that there was no necessity at this time to increase taxation, but there was necessity for administrative economy. [Applause on the Republican side.]

Mr. FITZGERALD. The fact is the Republicans never held a caucus and do not dare to hold a caucus.

Mr. UNDERWOOD. Well, a conference or caucus, whatever it was, I understood from the papers they determined on the question of opposing the bill, and so stood up on the request of the gentleman from Illinois as against any measure of this kind.

Mr. MANN. As against any increased taxation.

The SPEAKER. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I move the previous question.

Mr. MANN. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Evidently a sufficient number of gentlemen have risen, and the yeas and nays are ordered, and the Clerk will call the roll.

The question was taken; and there were—yeas 224, nays 132, answered "present" 4, not voting 71, as follows:

YEAS—224.

| | | | |
|-----------------|----------------|----------------|-----------------|
| Abercrombie | Decker | Heflin | Post |
| Adair | Dent | Helm | Pou |
| Adamson | Dershem | Helvering | Quin |
| Alken | Dickinson | Henry | Rainey |
| Alexander | Dies | Hill | Rauch |
| Ansberry | Difenderfer | Hobson | Rayburn |
| Ashbrook | Dixon | Holland | Reed |
| Aswell | Donovan | Houston | Reilly, Conn. |
| Bailey | Dooling | Howard | Reilly, Wis. |
| Baker | Doolittle | Hughes, Ga. | Riordan |
| Baltz | Doremus | Hull | Rouse |
| Barkley | Doughton | Igoe | Rubey |
| Barnhart | Dupré | Jacoway | Rucker |
| Bathrick | Eagan | Johnson, Ky. | Russell |
| Beakes | Eagle | Johnson, S. C. | Sabath |
| Beall, Tex. | Edwards | Jones | Saunders |
| Bell, Ga. | Estopinal | Keating | Seldomridge |
| Blackmon | Evans | Key, Ohio | Shackelford |
| Booher | Fergusson | Kitchin | Sherley |
| Borchers | Ferris | Korbly | Sherwood |
| Borland | Fields | Lazaro | Sisson |
| Bowdle | Fitzgerald | Lee, Ga. | Slayden |
| Brockson | FitzHenry | Leshner | Smith, Md. |
| Brodbeck | Flood, Va. | Lever | Smith, Tex. |
| Broussard | Floyd, Ark. | Levy | Sparkman |
| Bruckner | Foster | Lewis, Md. | Stanley |
| Brumbaugh | Fowler | Lieb | Stedman |
| Buchanan, Ill. | Gallagher | Linthicum | Stephens, Miss. |
| Buchanan, Tex. | Gallivan | Lloyd | Stephens, Nebr. |
| Bulkley | Gard | Lobeck | Stephens, Tex. |
| Burgess | Garner | Logue | Stone |
| Burnett | Garrett, Tenn. | Loneragan | Taggart |
| Byrnes, S. C. | Garrett, Tex. | McAndrews | Talcott, N. Y. |
| Byrns, Tenn. | Gerry | McCoy | Tavener |
| Callaway | Gill | McGillicuddy | Taylor, Ala. |
| Candler, Miss. | Gillmore | McKellar | Taylor, Ark. |
| Cantor | Glass | Maguire, Nebr. | Taylor, Colo. |
| Cantrill | Godwin, N. C. | Mahan | Taylor, N. Y. |
| Caraway | Goeke | Mitchell | Thomas |
| Carew | Goldfogle | Montague | Thompson, Okla. |
| Carlin | Goodwin, Ark. | Morgan, La. | Tribble |
| Carr | Gordon | Morrison | Underhill |
| Carter | Gorman | Moss, Ind. | Underwood |
| Casey | Goulden | Mulkey | Vaughan |
| Clancy | Graham, Ill. | Murray, Mass. | Vollmer |
| Clark, Fla. | Gray | Murray, Okla. | Walker |
| Claypool | Griffin | Neeley, Kans. | Watson |
| Cline | Gudger | O'Brien | Weaver |
| Coady | Hamlin | Oglesby | Webb |
| Collier | Hammond | O'Hair | Whaley |
| Connelly, Kans. | Hardwick | Oldfield | Whitacre |
| Cox | Hardy | Padgett | White |
| Crosser | Harrison | Page, N. C. | Williams |
| Cullop | Hart | Park | Wilson, Fla. |
| Dale | Hay | Peterson | Witherspoon |
| Davenport | Hayden | Phelan | Young, Tex. |

NAYS—132.

| | | | |
|-----------------|-----------------|----------------|-----------------|
| Ainey | Frear | Langley | Rupley |
| Anderson | French | Lee, Pa. | Scott |
| Anthony | Gillett | Lenroot | Sells |
| Avis | Good | Lindbergh | Shreve |
| Barchfeld | Green, Iowa | McGuire, Okla. | Sims |
| Bartholdt | Greene, Mass. | McKenzie | Sinnott |
| Barton | Greene, Vt. | McLaughlin | Sisson |
| Britten | Griest | MacDonald | Slemp |
| Browne, Wis. | Hamilton, Mich. | Madden | Sloan |
| Bryan | Hamilton, N. Y. | Manahan | Smith, Idaho |
| Burke, Pa. | Haugen | Mann | Smith, J. M. C. |
| Burke, S. Dak. | Hawley | Mapes | Smith, Minn. |
| Burke, Wis. | Hayes | Miller | Smith, Saml. W. |
| Butler | Helgesen | Mondell | Stafford |
| Campbell | Hinds | Morgan, Okla. | Steenerson |
| Cary | Hinebaugh | Morin | Stevens, Cal. |
| Chandler, N. Y. | Howell | Moss, W. Va. | Stevens, Minn. |
| Church | Hughes, W. Va. | Mott | Stevens, N. H. |
| Cooper | Hulings | Nelson | Stout |
| Copley | Humphrey, Wash. | Nolan, J. I. | Sutherland |
| Cramton | Johnson, Utah | Norton | Switzer |
| Curry | Johnson, Wash. | O'Shaunessy | Temple |
| Danforth | Kahn | Palce, Mass. | Thomson, Ill. |
| Davis | Keister | Patton, Pa. | Townner |
| Deitrick | Kelley, Mich. | Payne | Treadway |
| Dillon | Kelly, Pa. | Peters | Vare |
| Donohoe | Kennedy, Iowa | Plumley | Volstead |
| Dunn | Kennedy, R. I. | Porter | Wallin |
| Esch | Kless, Pa. | Prouty | Walters |
| Falconer | Kinkaid, Nebr. | Raker | Willis |
| Farr | Kreider | Roberts, Mass. | Winslow |
| Fess | La Follette | Roberts, Nev. | Woods |
| Fordney | Langham | Rogers | Young, N. Dak. |

ANSWERED "PRESENT"—4.

| | | | |
|---------|-------------|------|----------|
| Kettner | Kirkpatrick | Moon | Ragsdale |
|---------|-------------|------|----------|

NOT VOTING—71.

| | | | |
|----------------|------------------|---------------|---------------|
| Allen | Finley | Konop | Platt |
| Austin | Francis | Lafferty | Powers |
| Bartlett | Gardner | L'Engle | Rothermel |
| Bell, Cal. | George | Lewis, Pa. | Scully |
| Brown, N. Y. | Gittins | Lindquist | Small |
| Brown, W. Va. | Graham, Pa. | Loft | Smith, N. Y. |
| Browning | Gregg | McClellan | Stringer |
| Calder | Guernsey | Maher | Summers |
| Connolly, Iowa | Hamill | Martin | Talbott, Md. |
| Conry | Harris | Merritt | Ten Eyck |
| Covington | Hensley | Metz | Thacher |
| Crisp | Hoxworth | Moore | Townsend |
| Driscoll | Humphreys, Miss. | Murdock | Tuttle |
| Drukker | Kennedy, Conn. | Neely, W. Va. | Walsh |
| Edmonds | Kent | O'Leary | Watkins |
| Elder | Kindel | Palmer | Wilson, N. Y. |
| Fairchild | Kinkaid, N. J. | Parker | Woodruff |
| Faison | Knowland, J. R. | Patten, N. Y. | |

So the previous question was ordered.

The Clerk announced the following pairs:
Until further notice:

Mr. ALLEN with Mr. CALDER.

Mr. CONRY with Mr. BELL of California.

Mr. FRANCIS with Mr. FAIRCHILD.

Mr. FINLEY with Mr. DRUKKER.

Mr. SMALL with Mr. LINDQUIST.

Mr. TOWNSEND with Mr. POWERS.

Mr. WATKINS with Mr. WOODRUFF.

Mr. BROWN of New York with Mr. AUSTIN.

Mr. THACHER with Mr. SELLS.

Mr. HENSLEY with Mr. J. R. KNOWLAND.

Mr. BARTLETT with Mr. GRAHAM of Pennsylvania.

Mr. NEELY of West Virginia with Mr. PARKER.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. PALMER with Mr. MARTIN.

On this vote:

Mr. GREGG (for previous question) with Mr. PLATT (against).

Mr. HARRIS (for previous question) with Mr. GUERNSEY (against).

Mr. PATTEN of New York (for previous question) with Mr. MOORE (against).

Mr. SUMMERS (for previous question) with Mr. BROWNING (against).

Mr. TALBOTT of Maryland (for previous question) with Mr. MERRITT (against).

Until September 25:

Mr. KENNEDY of Connecticut with Mr. EDMONDS.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MANN. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 131, noes 92.

Mr. MANN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken: and there were—yeas 202, nays 150, answered "present" 3, not voting 76, as follows:

YEAS—202.

| | | | |
|----------------|----------------|----------------|-----------------|
| Abercrombie | Davenport | Harrison | Park |
| Adair | Decker | Hart | Phelan |
| Adamson | Dent | Hay | Post |
| Alken | Dickinson | Hayden | Pou |
| Alexander | Dies | Heflin | Rainey |
| Ansberry | Dixon | Helm | Rauch |
| Ashbrook | Donovan | Helvering | Rayburn |
| Aswell | Dooling | Henry | Reed |
| Bailey | Doolittle | Hill | Reilly, Conn. |
| Baker | Doremus | Holland | Reilly, Wis. |
| Baltz | Doughton | Houston | Riordan |
| Barkley | Dupré | Howard | Rouse |
| Barnhart | Eagan | Hughes, Ga. | Rubey |
| Bathrick | Eagle | Hull | Rucker |
| Beakes | Edwards | Igoe | Russell |
| Beall, Tex. | Estopinal | Jacoway | Sabbath |
| Bell, Ga. | Evans | Johnson, S. C. | Seldomridge |
| Blackmon | Fergusson | Jones | Sherley |
| Boehrer | Ferris | Kinkead, N. J. | Sherwood |
| Borchers | Fields | Kitchin | Slayden |
| Borland | Fitzgerald | Korby | Smith, Md. |
| Bowdle | FitzHenry | Lazaro | Smith, Tex. |
| Brockson | Flood, Va. | Lee, Ga. | Sparkman |
| Brodbeck | Floyd, Ark. | Leshner | Stanley |
| Broussard | Foster | Lever | Stedman |
| Bruckner | Gallagher | Lewis, Md. | Stephens, Nebr. |
| Buchanan, Ill. | Gallivan | Lieb | Stephens, Tex. |
| Buchanan, Tex. | Gard | Linthicum | Taggart |
| Bulkley | Garner | Lloyd | Taylor, Ala. |
| Burgess | Garrett, Tenn. | Loebck | Taylor, Ark. |
| Burnett | Garrett, Tex. | Loneragan | Taylor, Colo. |
| Byrnes, Tenn. | Gerry | McAndrews | Taylor, N. Y. |
| Callaway | Gill | McCoy | Thomas |
| Cantor | Gilmore | McClintock | Thompson, Okla. |
| Cantrill | Gittins | McKellar | Thribble |
| Caraway | Glass | Maguire, Nebr. | Tuttle |
| Carew | Godwin, N. C. | Mahan | Underhill |
| Carlin | Goeke | Mitchell | Underwood |
| Carr | Goldfogle | Montague | Vollmer |
| Carter | Goodwin, Ark. | Morgan, La. | Walker |
| Casby | Gordon | Morrison | Watson |
| Clancy | Gorman | Moss, Ind. | Weaver |
| Clark, Fla. | Goulden | Mulkey | Webb |
| Claypool | Graham, Ill. | Murray, Mass. | Whaley |
| Cline | Gray | Murray, Okla. | Whitacre |
| Coady | Griffin | O'Brien | Williams |
| Collier | Gudger | Oglesby | Wilson, Fla. |
| Cox | Hamlin | Oldfield | Witherspoon |
| Cullop | Hammond | Padgett | Young, Tex. |
| Dale | Hardwick | Pace, N. C. | |

NAYS—150.

| | | | |
|-----------------|-----------------|----------------|-----------------|
| Ainey | Fowler | Langham | Rupley |
| Anderson | Frear | Langley | Scott |
| Anthony | French | Lee, Pa. | Sells |
| Avis | Gillett | Lenroot | Shackleford |
| Barchfeld | Good | Lindbergh | Shreve |
| Bartholdt | Green, Iowa | Logue | Sims |
| Barton | Greene, Mass. | McGuire, Okla. | Sinnott |
| Britten | Greene, Vt. | McKenzie | Sisson |
| Browne, Wis. | Griest | McLaughlin | Slemp |
| Bryan | Hamilton, Mich. | MacDonald | Sloan |
| Burke, Pa. | Hamilton, N. Y. | Madden | Smith, J. M. C. |
| Burke, S. Dak. | Haugen | Manahan | Smith, Minn. |
| Burke, Wis. | Hawley | Mann | Smith, Saml. W. |
| Butler | Hayes | Mapes | Stafford |
| Campbell | Helgesen | Miller | Steenerson |
| Candler, Miss. | Hinds | Mondell | Stevens, Cal. |
| Carr | Hinebaugh | Morgan, Okla. | Stevens, Miss. |
| Chandler, N. Y. | Hobson | Morin | Stevens, N. H. |
| Church | Howell | Moss, W. Va. | Stone |
| Connolly, Kans. | Hughes, W. Va. | Mott | Stout |
| Cooper | Hulings | Neeley, Kans. | Switzer |
| Copley | Humphrey, Wash. | Nelson | Tavener |
| Cramton | Johnson, Ky. | Nolan, J. I. | Temple |
| Crosser | Johnson, Utah | Norton | Thomson, Ill. |
| Curry | Johnson, Wash. | O'Shaunessy | Townner |
| Danforth | Kahn | Palce, Mass. | Treadway |
| Davis | Keating | Patton, Pa. | Vare |
| Deitrick | Keister | Payne | Volstead |
| Dershem | Kelley, Mich. | Peters | Wallin |
| Dillon | Kelly, Pa. | Plumley | Walters |
| Donohoe | Kennedy, Iowa | Porter | White |
| Drukker | Kennedy, R. I. | Prouty | Willis |
| Dunn | Kless, Pa. | Quin | Winslow |
| Esch | Kinkaid, Nebr. | Ragsdale | Woods |
| Falconer | Kirkpatrick | Raker | Young, N. Dak. |
| Farr | Kreider | Roberts, Mass. | |
| Fess | Lafferty | Roberts, Nev. | |
| Fordney | La Follette | Rogers | |

ANSWERED "PRESENT"—3.

| | | |
|-------|-------------|------|
| Conry | Difenderfer | Moon |
|-------|-------------|------|

NOT VOTING—76.

| | | | |
|----------------|-------------|------------------|-----------------|
| Allen | Crisp | Gregg | Kindel |
| Austin | Driscoll | Guernsey | Knowland, J. R. |
| Bartlett | Edmonds | Hamill | Konop |
| Bell, Cal. | Elder | Harris | L'Engle |
| Brown, N. Y. | Fairchild | Hensley | Levy |
| Brown, W. Va. | Faison | Hoxworth | Lewis, Pa. |
| Browning | Finley | Humphreys, Miss. | Lindquist |
| Brumbaugh | Francis | Kennedy, Conn. | Loft |
| Calder | Gardner | Kent | McClellan |
| Connolly, Iowa | George | Kettner | Maher |
| Covington | Graham, Pa. | Key, Ohio | Martin |

| | | | |
|---------------|---------------|----------------|---------------|
| Merritt | Patten, N. Y. | Smith, Idaho | Ten Eyck |
| Metz | Peterson | Smith, N. Y. | Thacher |
| Moore | Platt | Stevens, Minn. | Townsend |
| Murdock | Powers | Stringer | Vaughan |
| Neely, W. Va. | Rothermel | Sumners | Walsh |
| O'Leary | Saunders | Sutherland | Watkins |
| Palmer | Scully | Talbott, Md. | Wilson, N. Y. |
| Parker | Small | Talcott, N. Y. | Woodruff |

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On the vote:

Mr. GREGG (for rule) with Mr. PLATT (against rule).

Mr. PATTEN of New York (for rule) with Mr. MOORE (against rule).

Mr. SUMNERS (for rule) with Mr. BROWNING (against rule).

Mr. TALBOTT of Maryland (for rule) with Mr. MERRITT (against rule).

Mr. HARRIS (for rule) with Mr. GUERNSEY (against rule).

Until further notice:

Mr. BROWN of West Virginia with Mr. SMITH of Idaho.

Mr. CONNOLLY of Iowa with Mr. SUTHERLAND.

Mr. HAMILL with Mr. STEVENS of Minnesota.

The result of the vote was announced as above recorded.

The SPEAKER. The resolution is agreed to, and the Clerk will report the bill.

The Clerk read the bill, as follows:

A bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Be it enacted, etc., That there shall be levied, collected, and paid in lieu of the tax of \$1 now imposed by law, a tax of \$1.50 on all beer, lager beer, ale, porter, and other similar fermented liquors, brewed or manufactured and sold, or stored in warehouse, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, for every barrel containing not more than 31 gallons; and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law. And section 3339 of the Revised Statutes is hereby amended accordingly: *Provided*, That the additional tax imposed in this section on all fermented liquors stored in warehouse to which a stamp has been affixed shall be assessed and collected in the manner now provided by law for the collection of taxes not paid by stamp: *Provided further*, That until appropriate stamps are prepared and furnished, the stamps heretofore used to denote the payment of the internal-revenue tax on fermented liquor may be stamped or imprinted with a suitable device to denote the new rate of tax herein imposed, and shall be affixed to all packages containing such liquors on which the tax imposed by this act is paid. Any person having possession of unaffixed stamps heretofore issued for the payment of the tax on fermented liquors shall present the same to the collector of the district, who shall receive them at the price paid for such stamps by the purchaser and issue in lieu thereof new or imprinted stamps at the rate provided in this act.

Sec. 2. That upon all wines which shall hereafter be manufactured and sold, or removed for consumption and sale, there shall be levied, collected, and paid by the person so manufacturing such wines the following taxes on each and every wine gallon of wine so manufactured and sold, or so removed for consumption and sale during the preceding month: On domestic sweet wines, containing more than 3 per cent of saccharine matter, 20 cents per gallon; and on other domestic wines, including dry wines, 12 cents per gallon; and the tax ascertained to be so due shall be assessed and collected as other internal-revenue taxes are assessed and collected: *Provided*, That wines sold or delivered by the producer thereof to persons or companies engaged in the business of blending, perfecting, or recasking such wines for sale shall be subject to the tax herein imposed upon their removal for consumption or sale by the person or companies so blending, perfecting, or recasking such wines, and shall be paid by and included in the returns made by all such persons and companies.

Sec. 3. That upon gasoline, motor spirits, naphtha, and other products, obtained from crude, partially refined, or residuum oils, and suitable for motor power, there shall be levied and collected, and paid monthly by the producer thereof, a tax of 2 cents on each and every wine gallon so produced during the preceding month; and the tax ascertained to be so due shall be assessed and collected as other internal-revenue taxes are assessed and collected.

SPECIAL TAXES.

Sec. 4. That from and after November 1, 1914, special taxes shall be, and hereby are, imposed annually as follows, that is to say:

First. Bankers shall pay \$2 for each \$1,000 of capital used or employed, and in estimating capital surplus and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every person, firm, or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this act: *Provided*, That any savings bank having no capital stock, and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

Second. Brokers shall pay \$50. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: *Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker.

Third. Pawnbrokers shall pay \$20. Every person, firm, or company whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be deemed a pawnbroker.

Fourth. Commercial brokers shall pay \$20. Every person, firm, or company whose business it is as a broker to negotiate sales or purchases of goods, wares, produce, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a commercial broker under this act.

Fifth. Customhouse brokers shall pay \$10. Every person, firm, or company whose occupation it is, as the agent of others, to arrange entries and other customhouse papers, or transact business at any port of entry relating to the importation or exportation of goods, wares, or merchandise, shall be regarded as a customhouse broker.

Sixth. Proprietors of theaters, museums, and concert halls in cities having more than 15,000 population, as shown by the last preceding United States census, shall pay \$100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That whenever any such edifice is under lease at the passage of this act the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

Seventh. The proprietor or proprietors of circuses shall pay \$100. Every building, space, tent, or area where feats of horsemanship or acrobatic sports or theatrical performances not otherwise provided for in this act are exhibited shall be regarded as a circus: *Provided*, That no special tax paid in one State, Territory, or the District of Columbia shall exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be imposed for exhibitions within any one State, Territory, or District.

Eighth. Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay \$10: *Provided*, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia.

Ninth. Proprietors of bowling alleys and billiard rooms shall pay \$5 for each alley or table. Every building or place where bowls are thrown or where games of billiards or pool are played, and that are open to the public with or without price, shall be regarded as a bowling alley or a billiard room, respectively.

TOBACCO DEALERS AND MANUFACTURERS.

SEC. 5. That from and after November 1, 1914, special taxes on tobacco dealers and manufacturers shall be and hereby are imposed annually as follows, the amount of such annual taxes to be computed in all cases on the basis of the annual sales for the preceding fiscal year:

Dealers in leaf tobacco whose annual sales do not exceed 50,000 pounds shall each pay \$6. Dealers in leaf tobacco whose annual sales exceed 50,000 pounds and do not exceed 100,000 pounds shall pay \$12, and if their annual sales exceed 100,000 pounds shall pay \$24: *Provided*, That dealers in leaf tobacco whose annual sales do not exceed 1,000 pounds shall be exempt from the tax herein imposed on dealers in leaf tobacco.

Dealers in tobacco, not specially provided for in this section, shall each pay \$4.80.

Every person whose business it is to sell, or offer for sale, manufactured tobacco, snuff, cigars, or cigarettes shall be regarded as a dealer in tobacco: *Provided*, That no manufacturer of tobacco, snuff, cigars, or cigarettes shall be required to pay a special tax as a dealer in manufactured tobacco, snuff, cigars, or cigarettes for selling his own products at the place of manufacture.

Manufacturers of tobacco whose annual sales do not exceed 50,000 pounds shall each pay \$6.

Manufacturers of tobacco whose annual sales exceed 50,000 pounds and do not exceed 100,000 pounds shall each pay \$12.

Manufacturers of tobacco whose annual sales exceed 100,000 pounds shall each pay \$24.

Manufacturers of cigars whose annual sales do not exceed 100,000 cigars shall each pay \$6.

Manufacturers of cigars whose annual sales exceed 100,000 and do not exceed 200,000 cigars shall each pay \$12.

Manufacturers of cigars whose annual sales exceed 200,000 cigars shall each pay \$24.

Manufacturers of cigarettes shall each pay \$24.

And every person who carries on any business or occupation for which special taxes are imposed by this act, without having paid the special tax herein provided, shall, besides being liable to the payment of such special tax, be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$500, or be imprisoned not more than six months, or both, at the discretion of the court.

ADHESIVE STAMPS.

Sec. 6. That on and after the 1st day of November, 1914, there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of this act, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed by any person or persons or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several taxes or sums of money set down in figures against the same, respectively, or otherwise specified or set forth in the said schedule.

Sec. 7. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, without the same being duly stamped for denoting the tax hereby imposed thereon, or without having thereupon an adhesive stamp to denote said tax, such person or persons shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than \$100, at the discretion of the court, and such instrument, document, or paper, as aforesaid, shall not be competent evidence in any court.

Sec. 8. That if any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have been provided, or may hereafter be provided, made, or used in pursuance of this act, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression, or any part of the impression, of any such stamp, die, plate, or other instrument, as aforesaid, upon any vellum, parchment, or paper, or shall stamp or mark, or cause or procure to be stamped or marked, any vellum, parchment, or paper with any such forged or coun-

terfeited stamp, die, plate, or other instrument, or part of any stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed, or any part thereof; or if any person shall utter, or sell, or expose for sale, any vellum, parchment, paper, article, or thing having thereupon the impression of any such counterfeit stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeit, or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeit, or resembled; or if any person shall knowingly use or permit the use of any stamp, die, plate, or other instrument, which shall have been so provided, made, or used as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of this act from any vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed, to, with, or upon any vellum, parchment, paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall willfully remove or cause to be removed, alter or cause to be altered, the canceling or defacing marks of any adhesive stamp with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or willfully sell or buy such washed or restored stamp, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamp which has been removed from any vellum, parchment, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and willfully aiding, abetting, or assisting in committing any such offenses as aforesaid shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall forfeit the said counterfeit stamps and the articles upon which they are placed, and shall be punished by fine not exceeding \$1,000, or by imprisonment and confinement at hard labor not exceeding five years, or both, at the discretion of the court.

SEC. 9. That in any and all cases where an adhesive stamp shall be used for denoting any tax imposed by this act, except as hereinafter provided, the person using or affixing the same shall write or stamp thereupon the initials of his name and the date upon which the same shall be attached or used, so that the same may not again be used. And if any person shall fraudulently make use of an adhesive stamp to denote any tax imposed by this act without so effectually canceling and obliterating such stamp, except as before mentioned, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$500, or be imprisoned not more than six months, or both, at the discretion of the court.

SEC. 10. That if any person or persons shall make, sign, or issue, or cause to be made, signed, or issued or shall accept or pay, or cause to be accepted or paid, with design to evade the payment of any stamp tax, any bill of exchange, draft, or order, or promissory note for the payment of money, liable to any of the taxes imposed by this act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax hereby charged thereon, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$200, at the discretion of the court.

SEC. 11. That the acceptor or acceptors of any bill of exchange or order for the payment of any sum of money drawn, or purporting to be drawn, in any foreign country, but payable in the United States, shall, before paying or accepting the same, place thereupon a stamp, indicating the tax upon the same, as the law requires for inland bills of exchange or promissory notes; and no bill of exchange shall be paid or negotiated without such stamp; and if any person shall pay or negotiate, or offer in payment, or receive or take in payment, any such draft or order, the person or persons so offending shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$100, in the discretion of the court.

SEC. 12. That in any collection district where, in the judgment of the Commissioner of Internal Revenue, the facilities for the procurement and distribution of adhesive stamps are or shall be insufficient, the commissioner, as aforesaid, is authorized to furnish, supply, and deliver to the collector of any district, and the said collector is hereby authorized to furnish to any assistant treasurer of the United States or designated depository thereof, or any postmaster located in his collection district, a suitable quantity of adhesive stamps, without prepayment therefor, and may in advance require of any collector, assistant treasurer of the United States, or postmaster a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. And it shall be the duty of such collector to supply his deputies with, or sell to other parties within his district who may make application therefor, adhesive stamps, upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations, not inconsistent herewith, for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient. And the Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safe-keeping or prevent the illegal use of all such adhesive stamps.

SEC. 13. That any person or persons who shall register, issue, sell, or transfer, or who shall cause to be issued, registered, sold, or transferred, any instrument, document, or paper of any kind or description whatsoever mentioned in Schedule A of this act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$50, or by imprisonment not exceeding six months, or both, in the discretion of the court; and such instrument, document, or paper, not being stamped according to law, shall be deemed invalid and

of no effect: *Provided*, That hereafter, in all cases where the party has not affixed to any instrument the stamp required by law thereon at the time of issuing, selling, or transferring the said bonds, debentures, or certificates of stock or of indebtedness, and he or they, or any party having an interest therein, shall be subsequently desirous of affixing such stamp to said instrument, or, if said instrument be lost, to a copy thereof, he or they shall appear before the collector of internal revenue of the proper district, who shall, upon the payment of the price of the proper stamp required by law, and of a penalty of \$10, and, where the whole amount of the tax denoted by the stamp required shall exceed the sum of \$50, on payment also of interest, at the rate of 6 per cent, on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such bond, debenture, certificate of stock or of indebtedness or copy, and note upon the margin thereof the date of his so doing, and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued: *And provided further*, That where it shall appear to said collector, upon oath or otherwise, to his satisfaction, that any such instrument has not been duly stamped, at the time of making or issuing the same, by reason of accident, mistake, inadvertence, or urgent necessity, and without any willful design to defraud the United States of the stamp, or to evade or delay the payment thereof, then and in such case, if such instrument, or, if the original be lost, a copy thereof, duly certified by the officer having charge of any records in which such original is required to be recorded, or otherwise duly proven to the satisfaction of the collector, shall, within 12 calendar months after the making or issuing thereof, be brought to the said collector of internal revenue to be stamped, and the stamp tax chargeable thereon shall be paid, it shall be lawful for the said collector to remit the penalty aforesaid and to cause such instrument to be duly stamped. And when the original instrument, or a certified or duly proven copy thereof, as aforesaid, duly stamped so as to entitle the same to be recorded, shall be presented to the clerk, register, recorder, or other officer having charge of the original record, it shall be lawful for such officer, upon the payment of the fee legally chargeable for the recording thereof, to make a new record thereof, or to note upon the original record the fact that the error or omission in the stamping of said original instrument has been corrected pursuant to law; and the original instrument or such certified copy, or the record thereof, may be used in all courts and places in the same manner and with like effect as if the instrument had been originally stamped: *And provided further*, That in all cases where the party has not affixed the stamp required by law upon any such instrument issued, registered, sold, or transferred at a time when and at a place where no collection district was established, it shall be lawful for him or them, or any party having an interest therein, to affix the proper stamp thereto, or, if the original be lost, to a copy thereof. But no right acquired in good faith before the stamping of such instrument, or copy thereof, as herein provided, if such record be required by law, shall in any manner be affected by such stamping as aforesaid.

SEC. 14. That hereafter no instrument, paper, or document required by law to be stamped which has been signed or issued without being duly stamped or with a deficient stamp, nor any copy thereof, shall be recorded or admitted or used as evidence in any court until a legal stamp or stamps, denoting the amount of tax, shall have been affixed thereto as prescribed by law: *Provided*, That any bond, debenture, certificate of stock, or certificate of indebtedness issued in any foreign country shall pay the same tax as is required by law on similar instruments when issued, sold, or transferred in the United States; and the party to whom the same is issued or by whom it is sold or transferred shall, before selling or transferring the same, affix thereon the stamp or stamps indicating the tax required.

SEC. 15. That it shall not be lawful to record or register any instrument, paper, or document required by law to be stamped unless a stamp or stamps of the proper amount shall have been affixed and canceled in the manner prescribed by law; and the record, registry, or transfer of any such instruments upon which the proper stamp or stamps aforesaid shall not have been affixed and canceled as aforesaid shall not be used in evidence.

SEC. 16. That no instrument, paper, or document required by law to be stamped shall be deemed or held invalid and of no effect for the want of a particular kind or description of stamp designated for and denoting the tax charged on any such instrument, paper, or document, provided a legal documentary stamp or stamps denoting a tax of equal amount shall have been duly affixed and used thereon.

SEC. 17. That all bonds, debentures, or certificates of indebtedness issued by the officers of the United States Government or by the officers of any State, county, town, municipal corporation, or other corporation exercising the taxing power shall be, and hereby are, exempt from the stamp taxes required by this act: *Provided*, That it is the intent hereby to exempt from the stamp taxes imposed by this act such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental, taxing, or municipal capacity: *Provided further*, That stock and bonds issued by cooperative building and loan associations whose capital stock does not exceed \$10,000 and building and loan associations or companies that make loans only to their shareholders shall be exempt from the tax herein provided.

SEC. 18. That the Commissioner of Internal Revenue shall cause to be prepared for the payment of the taxes prescribed in this act suitable stamps denoting the tax on the document, article, or thing to which the same may be affixed, and he is authorized to prescribe such method for the cancellation of said stamps, as substitute for or in addition to the method provided in this act, as he may deem expedient. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to procure any of the stamps provided for in this act by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on the 1st day of November, 1915, except as to imprinted stamps furnished under contract, authorized by the Commissioner of Internal Revenue. That the adhesive stamps used in the payment of the tax levied in Schedule A of this act shall be furnished for sale by the several collectors of internal revenue, who shall sell and deliver them at their face value to all persons applying for the same, except officers or employees of the Internal Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than \$100 of face value, with a discount of 1 per cent, except as otherwise provided in this act.

SCHEDULE A—STAMP TAXES.

Bonds, debentures, or certificates of indebtedness issued after the 1st day of November, A. D. 1914, by any association, company, or corpora-

tion, on each \$100 of face value or fraction thereof, 5 cents, and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents, and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each \$100 of face value or fraction thereof, 2 cents: *Provided*, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. And any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale, or who shall in pursuance of any such sale deliver any such stock, or evidence of the sale of any such stock or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

Upon each sale, agreement of sale, or agreement to sell, any products or merchandise at any exchange, or board of trade, or other similar place, either for present or future delivery, for each \$100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional \$100 or fractional part thereof in excess of \$100, 1 cent: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale or agreement of sale, or agreement to sell, or who shall, in pursuance of any such sale, agreement of sale, or agreement to sell, deliver any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, or who shall deliver such bill, memorandum, or other evidence of sale, or agreement to sell, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

Promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding \$100, 2 cents; and for each additional \$100 or fractional part thereof in excess of \$100, 2 cents.

Express and freight: It shall be the duty of every railroad or steamboat company, carrier, express company, or corporation or person whose occupation is to act as such, to issue to the shipper or consignee, or his agent, or person from whom any goods are accepted for transportation, a bill of lading, manifest, or other evidence of receipt and forwarding for each shipment received for carriage and transportation, whether in bulk or in boxes, bales, packages, bundles, or not so inclosed or included; and such shipper, consignee, agent, or person shall duly attach and cancel, as is in this act provided, to each of said bills of lading, manifests, or other memorandum, a stamp of the value of 1 cent: *Provided*, That but one bill of lading shall be required on bundles or packages of newspapers when inclosed in one general bundle at the time of shipment. Any failure to issue such bill of lading, manifest, or other memorandum, as herein provided, shall subject such railroad or steamboat company, carrier, express company, or corporation or person to a penalty of \$50 for each offense, and no such bill of lading, manifest, or other memorandum shall be used in evidence unless it shall be duly stamped as aforesaid.

Telegraph and telephone messages: It shall be the duty of every person, firm, or corporation owning or operating any telegraph or telephone line or lines to make within the first 15 days of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations transmitted over their respective lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall pay a tax of 1 cent: *Provided*, That only one payment of said tax shall be required, notwithstanding the lines of one or more persons, firms, or corporations shall be used for the transmission of each of said messages or conversations: *Provided further*, That the messages or dispatches of the officers and employees of any telegraph or telephone company concerning the affairs and service of the company, and like messages or dispatches of the officials and employees of railroad companies sent over the wires on their respective railroads shall be exempt from this requirement: *And provided further*, That messages of officers and employees of the Government on official business shall be exempt from the taxes herein imposed upon telegraphic and telephonic messages.

Bond: For indemnifying any person or persons, firm, or corporation who shall have become bound or engaged as surety for the payment of any sum of money, or for the due execution or performance of the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents.

Certificate of profits, or any certificate or memorandum showing an interest in the property or accumulations of any association, company, or corporation, and on all transfers thereof, on each \$100 of face value or fraction thereof, 2 cents.

Certificate: Any certificate of damage, or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such, 25 cents.

Certificate of any description required by law not otherwise specified in this act, 10 cents.

Contract: Broker's note, or memorandum of sale of any goods or merchandise, stocks, bonds, exchange, notes of hand, real estate, or property of any kind or description issued by brokers or persons acting as such, for each note or memorandum of sale, not otherwise provided for in this act, 10 cents.

Conveyance: Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value exceeds \$100 and does not exceed \$500, 50 cents; and for each additional \$500 or fractional part thereof in excess of \$500, 50 cents.

Entry of any goods, wares, or merchandise at any customhouse, either for consumption or warehousing, not exceeding \$100 in value, 25 cents; exceeding \$100 and not exceeding \$500 in value, 50 cents; exceeding \$500 in value, \$1.

Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

Insurance (life): Policy of insurance, or other instrument, by whatever name the same shall be called, whereby any insurance shall hereafter be made upon any life or lives, for each \$100 or fractional part thereof 8 cents on the amount insured: *Provided*, That on all policies, for life insurance only, issued on the industrial or weekly-payment plan of insurance, the tax shall be 40 per cent of the amount of the first weekly premium. And it shall be the duty of each person, firm, or corporation issuing such policies to make within the first 15 days of every month a sworn statement to the collector of internal revenue in each of their respective districts, of the total amount of first weekly premiums received on such policies issued by the said person, firm, or corporation during the preceding month, and upon the total amount so received the said person, firm, or corporation shall pay the said tax of 40 per cent: *Provided further*, That the provisions of this section shall not apply to any fraternal beneficiary society or order, or farmers' purely local cooperative company or association, or employees' relief associations operated on the lodge system or local cooperation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.

Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That purely cooperative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided.

Insurance (casualty, fidelity, and guaranty): Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of accident, fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and each bond, undertaking, or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any fidelity, guaranty, or surety company upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof.

Mortgage or pledge of lands, estate, or property, real or personal, heritable, or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money, lent at the time or previously due and owing or forborne to be paid, being payable; also any conveyance of any lands, estate, or property whatsoever, in trust to be sold or otherwise converted into money, which shall be intended only as security, either by express stipulation or otherwise; on any of the foregoing exceeding \$1,000 and not exceeding \$1,500, 25 cents; and on each \$500 or fractional part thereof in excess of \$1,500, 25 cents: *Provided*, That upon each and every assignment or transfer of a mortgage, or policy of insurance, or the renewal or continuance of any agreement or contract, a stamp duty shall be required and paid at the same rate as that imposed on the original instrument.

Passage ticket, by any vessel from a port in the United States to a foreign port, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5.

Power of attorney or proxy for voting at any election for officers of any incorporated company or association, except religious, charitable, or literary societies, or public cemeteries, 10 cents.

Power of attorney to sell and convey real estate, or to rent or lease the same, to receive or collect rent, to sell or transfer any stock, bonds, scrip, or for the collection of any dividends or interest thereon, or to perform any and all other acts not hereinbefore specified, 25 cents: *Provided*, That no stamps shall be required upon any papers necessary to be used for the collection of claims from the United States for pensions, back pay, bounty, or for property lost in the military or naval service.

Protest: Upon the protest of every note, bill of exchange, acceptance, check or draft, or any marine protest, whether protested by a notary public or by any other officer who may be authorized by the law of any State or States to make such protest, 25 cents.

Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 2 cents, to be paid by the company selling the same.

Sec. 19. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this act; and for the expense connected with the assessment and collection of the taxes provided by this act there is hereby appropriated \$130,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated: \$100,000 to be added to and made a part of the appropriations for "salaries and expenses of collection of internal revenue, 1915; and \$30,000 to the appropriation for paper for internal revenue stamps, 1915."

Sec. 20. That the provisions of this act shall take effect on the day next succeeding the date of its passage, except where otherwise expressly provided: *Provided*, That on the day after the 31st day of

December, 1915, the taxes levied under Schedule A of this act shall no longer be levied and collected, but all taxes arising or accruing before said date shall continue to be collectible under the terms of this act. All stamps provided for in this act unused after the aforesaid date shall be redeemed from the holder thereof, under such rules as the Secretary of the Treasury may prescribe.

Mr. UNDERWOOD rose.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] is recognized for three hours and a half.

Mr. UNDERWOOD. Mr. Speaker, before the debate starts I desire, for the convenience of the Members of the House, to ask unanimous consent that all gentlemen who speak on the bill may be allowed to revise and extend their remarks in the RECORD and that all Members who do not speak on the bill may have seven legislative days in which to print remarks on the bill.

The SPEAKER. The gentleman from Alabama asks unanimous consent that all gentlemen who speak on the bill shall have the right to extend and enlarge their remarks, and those who do not speak may have seven legislative days within which to print their remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The gentleman from Alabama is recognized.

Mr. DONOVAN. Mr. Speaker, we had a great struggle here this morning for a great deal of debate. Those people who wanted extended debate are absent. I am going to make a point of no quorum, to see if we can get them here. No quorum, Mr. Speaker.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-seven gentlemen are present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama moves a call of the House. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

| | | | |
|----------------|------------------|---------------|-----------------|
| Adamson | Gardner | Lindquist | Rayburn |
| Alken | George | Lobeck | Rothermel |
| Anthony | Gillett | Loft | Rucker |
| Aswell | Goeke | McClellan | Scully |
| Austin | Good | Maher | Sells |
| Bartholdt | Graham, Pa. | Martin | Small |
| Bartlett | Gregg | Merritt | Smith, N. Y. |
| Bell, Cal. | Guernsey | Metz | Stephens, Nebr. |
| Brown, N. Y. | Hamill | Miller | Stephens, Tex. |
| Brown, W. Va. | Harris | Moore | Stringer |
| Browning | Hensley | Murdock | Sumners |
| Burke, Pa. | Hobson | Neely, W. Va. | Taggart |
| Calder | Howard | Nelson | Talbott, Md. |
| Carr | Hoxworth | Oglesby | Ten Eyck |
| Connolly, Iowa | Humphreys, Miss. | Oldfield | Thacher |
| Conry | Johnson, Utah | O'Leary | Townsend |
| Covington | Kahn | Palmer | Treadway |
| Crisp | Kennedy, Conn. | Parker | Walters |
| Driscoll | Kent | Patten, N. Y. | Watkins |
| Edmonds | Kettner | Patton, Pa. | Whaley |
| Elder | Kindel | Platt | Whitacre |
| Fairchild | Knowland, J. R. | Plumley | Wilson, N. Y. |
| Faison | Konop | Post | Woodruff |
| Finley | Korbly | Powers | Woods |
| Fitzgerald | Lafferty | Prouty | |
| Francis | L'Engle | Ragsdale | |
| French | Lewis, Pa. | Rainey | |

The SPEAKER. On this roll call 324 Members—a quorum—have answered to their names.

Mr. UNDERWOOD. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

EMERGENCY REVENUE LEGISLATION.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] is recognized for three hours and a half. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, the legislation that is now pending before the House does not come here on our initiative. One of the greatest calamities that has ever confronted humanity is staring the world in the face to-day. It has not only shattered the temples of peace in the world, but it has disturbed business conditions the world over. In our own country, which to-day is at peace with all the world and will continue to be at peace with all the world [applause], we are suffering in a business way more severely than we have suffered through any period of recent history, since the close of the War between the States.

The President of the United States, exercising that function which the Constitution of the United States has granted to him, has advised the Congress that the revenues that are necessary

to support the Government of the United States have been so seriously disturbed by the war conditions in Europe that it is necessary immediately to pass legislation that will furnish sufficient moneys to meet the ordinary expenditures of this Government. It is never pleasant to levy taxes. I recognize the fact that it is most inexpedient to ask our own party to pass a tax bill almost in the face of a pending election. But if the Democratic Party, who have been intrusted with the Government of the United States, has not the patriotism or the courage to face all conditions that may confront them at all times, and patriotically pass the legislation that is necessary to protect the country, regardless of the effect it may have on their personal fortunes, then the great party to which we hold allegiance will be unworthy, not only of the historic record that they have made since the beginning of the Government, but unworthy of the trust that the American people have imposed upon them. [Applause on the Democratic side.]

It is contended that the present condition of our finances does not grow out of war conditions in Europe, but is due to the failure of the present tariff law to raise sufficient funds to meet the ordinary expenses of the Government. Mr. Speaker, it is not difficult to demonstrate the absolute unreliability of the statement that under ordinary circumstances the revenue laws now on the statute books will not meet the expenditures that have been provided for by the Congress. But as to whether or not the present tariff law brings sufficient revenue, and as to whether or not the Treasury conditions are bettered or injured by the enactment of that law, a very few statements of fact must convince any man whose mind is open to conviction.

The total ordinary receipts of the Government, which include taxes collected at the customhouse and internal-revenue taxes, but exclude the revenues derived by the Post Office Department, when the Payne tariff law was in operation, were \$691,778,465, for the fiscal year 1912. For the fiscal year 1913 the ordinary receipts, when the Payne tariff law was on the statute books, were \$724,111,230. In the fiscal year 1914 the Payne tariff law was in operation for the months of July, August, and September, and the Democratic law for the other nine months. The ordinary receipts for that year were \$734,343,700. It is apparent from these figures that last year, with the Payne law in operation for three months and the Democratic law for nine months, the ordinary receipts were over \$42,000,000 more than those of 1912, when the Payne law was in operation, and that last year the ordinary receipts exceeded those of 1913 by over \$10,000,000. [Applause on the Democratic side.]

It may be contended that the Payne law was on the statute books for three months, and that the Democratic law operated only nine months, and that the Payne law carried it over. As a matter of fact, the customs receipts under the Democratic tariff law exceeded its authors' expectations. The minority say that there has been a falling off in customs revenues and pride themselves on the fact that the Payne law collected more customs revenues than the present law. The gentlemen seem to overlook the fact that when the present Democratic law was brought before this House the country was advised of the fact that we proposed to reduce the receipts collected at the customhouse, and in lieu thereof levy an income tax to make up the difference. [Applause on the Democratic side.] As a matter of fact, the amount of revenue collected at the customhouse during the last year was \$22,000,000 in excess of the amount that was estimated by the proponents of the present law when the bill passed and became a law. I will print in the RECORD a table showing the customs and the total ordinary receipts by months for the three years to which I have referred.

The following is the table referred to:

Customs revenue and total ordinary receipts for the fiscal years 1912, 1913, 1914, and 1915 to date.

CUSTOMS REVENUE.

| Month. | 1912 | 1913 | 1914 | 1915 |
|----------------|-----------------|-----------------|-----------------|-----------------|
| July..... | \$23,404,502.50 | \$28,136,502.27 | \$27,806,654.54 | \$22,988,465.04 |
| August..... | 25,952,466.21 | 30,205,331.96 | 30,934,952.44 | 19,431,332.52 |
| September..... | 24,746,309.77 | 27,475,127.85 | 26,794,494.25 | |
| October..... | 25,757,036.40 | 30,216,824.02 | 30,138,049.37 | |
| November..... | 24,704,345.15 | 25,666,353.25 | 21,173,627.85 | |
| December..... | 24,587,327.55 | 24,248,161.30 | 21,510,139.99 | |
| January..... | 24,654,652.30 | 29,334,124.09 | 23,528,079.83 | |
| February..... | 26,337,528.23 | 27,605,115.83 | 17,009,603.70 | |
| March..... | 30,408,561.39 | 27,457,489.20 | 25,927,212.90 | |
| April..... | 26,184,467.79 | 23,683,966.76 | 22,232,766.57 | |
| May..... | 26,578,973.14 | 20,434,749.21 | 20,800,573.25 | |
| June..... | 28,005,501.99 | 24,417,650.12 | 23,672,372.94 | |
| Total..... | 311,321,672.22 | 318,891,395.88 | 292,128,527.63 | 42,419,827.56 |

TOTAL ORDINARY RECEIPTS.

| Month. | 1912 | 1913 | 1914 | 1915 |
|----------------|-----------------|-----------------|-----------------|-----------------|
| July..... | \$52,085,061.76 | \$50,536,333.50 | \$60,231,524.12 | \$73,224,173.53 |
| August..... | 54,804,682.82 | 60,205,002.32 | 61,600,197.15 | 51,072,898.30 |
| September..... | 56,335,353.09 | 55,682,556.08 | 56,073,397.05 | |
| October..... | 56,054,411.31 | 54,469,504.07 | 64,196,633.15 | |
| November..... | 57,588,831.93 | 59,069,393.94 | 55,515,132.92 | |
| December..... | 53,749,605.62 | 55,821,538.88 | 53,152,435.89 | |
| January..... | 52,461,711.56 | 60,542,363.45 | 53,977,886.39 | |
| February..... | 53,932,609.01 | 54,803,419.47 | 43,633,857.33 | |
| March..... | 59,296,026.64 | 56,720,083.57 | 54,801,890.84 | |
| April..... | 53,305,711.82 | 53,452,556.72 | 50,488,806.53 | |
| May..... | 58,369,952.26 | 55,370,363.84 | 55,389,211.77 | |
| June..... | 64,795,507.53 | 68,438,114.00 | 125,280,727.05 | |
| Total..... | 691,778,465.37 | 724,111,229.84 | 734,343,700.20 | 124,297,071.83 |

Mr. UNDERWOOD. Of course the falling off in revenue is more apparent during certain months than it is on the average, because it falls off at the customhouse, and we collect our income-tax revenue at the end of each fiscal year, in the month of June. But when you come to the average we have produced annually more revenue under this bill than the Payne law produced. The above table shows that during the year 1914 the customs revenue collected amounted to \$292,000,000. Of this amount \$35,500,000 was collected before the present law went into effect. The customs revenues collected during the first nine months that the law was in effect amounted to \$206,500,000, or \$22,900,000 per month. The customs revenues collected during the fiscal year 1913, the last year that the Payne law was in operation, amounted to \$318,891,396, or \$26,000,000 per month. The new tariff law provides an income tax to make up for the reduction in customs revenues because of the lowering of the tariff taxes. For the last 10 months of the calendar year 1913 there accrued from the income tax on individuals \$31,344,539.

The amount of the corporation, excise, and income tax accruing for the entire calendar year of 1913 was \$45,851,028. The total amount of the excise tax on corporations, derived by the Treasury in the calendar year 1912, was \$35,006,293.

The new income-tax law eliminated the corporation exemption of \$5,000, added to the tax list many corporations not subject to the excise tax, and also imposed a graduated rate upon corporations holding stock in others. These provisions account for the entire difference between the receipts from corporations for the year 1912 and the year 1913, which is \$10,844,729. This sum, added to the amount of the income tax accruing from individuals for the year 1913, namely, \$31,344,539, would aggregate \$42,189,268, or \$4,000,000 per month, during the time in which the new corporation and income tax law has been in effect. Adding the average monthly customs receipts to the average monthly income-tax receipts under the new law gives \$26,900,000, as compared with \$26,600,000 under the act of 1909. This average monthly comparison only extends to the close of the fiscal year of 1914.

For the present fiscal year, 1915, the comparison is much more favorable to the new tariff and income-tax law, for the reason that the individual income-tax law only covered 10 months of the year 1913, and in reality only reached all semiannual incomes payable in January and July for four months of that year, and all like quarterly incomes payable in January, July, and October for but seven months of that year. Considering the unsettled business conditions during the year 1914, largely on account of the disturbed international commercial and other conditions, the best obtainable figures as to the estimated amount that will accrue from the corporation tax for 1914 is \$42,500,000, while the same estimates from individual income tax is \$42,500,000, making a total of \$85,000,000. Deducting from this amount \$35,000,000 that would otherwise have accrued from corporation excise tax under the act of 1909 leaves \$50,000,000, or \$4,166,000 per month, that would accrue to the Treasury from the income tax for the fiscal year 1915. Adding this average monthly yield to the average monthly yield of the present tariff law gives \$27,038,000, as compared with \$23,600,000 under the act of 1909.

There can be no doubt, from another standpoint, that we have raised the revenue under the present law to support the Government. At the end of the last fiscal year there was a surplus of over \$33,000,000 above ordinary expenditures. [Applause on the Democratic side.] It is true that we expended on the Panama Canal something over \$34,000,000, but the Republican administrations in the past have many times before provided for the expenditures on the Panama Canal by the sale of bonds, and the law itself does not contemplate that the ordinary collections of revenue should be sufficient to meet the expenditures on the canal.

The condition of the Treasury remained undisturbed until the unfortunate war in Europe began. Almost immediately we found our custom revenue falling off. The gentlemen may say that there is a difference between the amount of revenue collected under the present law and the Payne bill, something in excess of \$4,000,000 a month, and that we should return to a law providing for taxation along the lines of the Payne bill in order to protect the Treasury against a deficit in the present emergency. But I wish to call your attention to the fact that, if we had allowed the Payne bill to stand on the statute books and no income tax had been levied and collected, if we had not removed the exemption under the corporation tax, and that if we had only collected from the corporations the \$35,000,000 collected under the Payne bill instead of the \$77,000,000 accruing from the corporation and income tax collected under the operation of the present law, we would have had \$15,000,000 more revenue to make up to-day for losses at the customhouse, in addition to \$100,000,000 we are proposing to levy. [Applause on the Democratic side.]

Again, where do we lose this revenue? A large portion of this revenue that we are losing at the customhouse came from the tax on wool—raw wool—that is needed by our manufacturers in order that they may make cheaper clothes for the American people. I would like to ask the gentlemen on that side of the House whether they propose to go to their constituents in New England and the Eastern States this fall and contend that the tax on raw wool ought to be restored and thus put up the price of clothes to the people?

Mr. MANN. Does the gentleman want an answer?

Mr. UNDERWOOD. Yes.

Mr. MANN. The price of clothing has not gone down at all on account of the removal of the tariff on wool.

Mr. UNDERWOOD. I think the gentleman is mistaken in that respect.

Mr. MANN. Perhaps the gentleman has his clothes given to him.

Mr. UNDERWOOD. I have seen some quotations which indicate clearly that the price of clothing has gone down. I recognize the fact, and I stated more than a year ago that after you relieve the burden it takes time before competition will drive down the price so the American people can get the benefit. And I ask the gentlemen from New England and the East on that side of the House if they propose to contend here that that tax should be rewritten into the law in order to raise the revenue? I would like to ask the gentlemen from New England and the East if they propose to increase this revenue by putting back the tax on raw materials, such as iron ore and other materials of that kind that have been coming in free to their constituents, in order to make up this tax, and go back to the Payne bill?

About \$10,000,000 of this falling off in revenue has been upon sugar. The reduction of the tariff tax on sugar accounts for a falling off of the customs revenue between the present law and the Payne bill of something like \$10,000,000. Which one of you gentlemen is prepared to say that you want to return to power in order to rewrite that tax and put those \$10,000,000 of burden on the consuming people of the United States, instead of levying it on the incomes of those most able to bear the tax burden? [Applause on the Democratic side.] So that when we come down to this cry that the falling off of customs revenue is the fault of the present tariff law there is not a fact that sustains it, and there is not a Republican who will go into the present campaign and propose to put back the tax on the articles that I have mentioned, which have raised the greater portion of this burden of taxation that was taken off. [Applause on the Democratic side.]

But I am surprised to find that in the report of the minority they make two contentions. They are trying to ride two horses going in different directions at the same time, and I think the result of that acrobatic performance, when the November election takes place, will be the same that they have faced in the last four years. [Applause on the Democratic side.] They first contend that it is not necessary to write this bill, because the present law is ample to take care of the situation, and that we do not need the enactment of a new law to take care of the Treasury, and then they take the position that the whole misfortune that we are facing is due to the fact that the present law does not raise enough revenue to support the Government. [Laughter and applause on the Democratic side.] I will say to the gentlemen upon that side of the House that the present law does raise a sufficient revenue to support the ordinary expenses of the Government, if an unforeseen event, such as the war in Europe, had not happened. It has raised enough, but if your

contention is correct, and it does not raise sufficient revenue to support the Government, do you expect us to put back the tax on raw wool and iron ore and sugar, or do you expect us to follow out our own policies, if we have not enough money, and levy the taxes upon the principles that we have always contended for? Therefore if it does not produce sufficient revenue to run the Government it is high time that we should make it up now.

As to the question of whether or not we are facing an exigency that requires the passage of this bill, I shall print in the RECORD a table showing the importations from countries that are now at war in Europe, giving the amount of dutiable imports that came into this country from those countries in 1914, and the amount of revenue derived therefrom. I will only delay you now to state that the dutiable imports coming from Austria-Hungary, Belgium, France, Germany, Russia in Europe, Serbia, Montenegro, and the United Kingdom of Great Britain for the year 1914 amounted to \$385,989,551, and that the estimated falling off in revenue during the next 12 months will amount to \$125,811,000 should all imports from these countries cease. I ask you to bear in mind now that that does not take into consideration the imports that came from the colonies of these countries, nor does it take into consideration the falling off of import duties from other countries in the civilized world that are not at war to-day, due to the fact of the disturbed conditions of business and the disturbed shipping conditions of the world growing out of this war. Of all the countries I have named it is fair to presume that there will practically be no importations, except from Great Britain, until the war is over. From Great Britain the usual revenue derived from imports amounts to about \$40,000,000. I think it is safe to assume that our revenues derived from that source next year will not be over \$20,000,000, and assuming that we will practically receive no revenues from the countries at war on the Continent of Europe it will leave a falling off of revenue of a little over \$100,000,000, which does not take into consideration any falling off of revenue from the colonies of these countries, nor from the balance of the world that is disturbed by war conditions. Therefore, I think the President was conservative in his estimate when he delivered his message to Congress some weeks ago asking us to provide against this falling off in revenues, when he estimated that we needed \$100,000,000 more, raised by taxes other than customs taxes, to meet this emergency. [Applause on the Democratic side.]

The following is the table above referred to:

Estimated falling off in customs revenue during the next 12 months because of the European war.

| Country. | Dutiable imports, value 1914. | Estimated falling off in revenues during next 12 months. |
|----------------------------|-------------------------------|--|
| Austria-Hungary..... | \$15,232,645 | \$5,267,000 |
| Belgium..... | 21,324,417 | 5,398,000 |
| France..... | 95,445,062 | 35,566,000 |
| Germany..... | 119,383,978 | 38,683,000 |
| Russia in Europe..... | 2,420,602 | 242,000 |
| Servia and Montenegro..... | 9,627 | 2,000 |
| United Kingdom..... | 132,173,220 | 40,653,000 |
| Total..... | 385,989,551 | 125,811,000 |

NOTE.—This estimate is made on the assumption that all imports from the European countries at war will cease during the next 12 months. The import values shown represent the dutiable articles imported during the fiscal year ending June 30, 1914. The estimated falling off in revenue is computed by applying the rate of the act of 1913 to the imports for the fiscal year ending June 30, 1914.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. UNDERWOOD. Yes.

Mr. MANN. Mr. Speaker, has the gentleman the figures to show how much imports have fallen off in August or up to date in September?

Mr. UNDERWOOD. I think I can give them to the gentleman in a moment. I have before me the data that I got this morning from the Department of Commerce.

Mr. MANN. That is the reason I asked, because we can not get that data.

Mr. UNDERWOOD. It came to me only this morning, and I will be very glad to furnish it to the gentleman. The values of dutiable imports for August, 1913, were \$67,588,736, and for August, 1914, they were \$49,499,747, or a falling off of \$18,000,000 for that month.

Mr. MANN. Has the gentleman the total imports for August, 1913 and 1914, and also up to date in September?

Mr. UNDERWOOD. This was for the month of August that I was reading. The total imports, including those free and those dutiable, for August, 1913, amounted to \$137,651,553, and for August, 1914, including both dutiable and free, \$129,767,890. I wish, however, to call the attention of the House to the fact—

Mr. MANN. Has the gentleman the figures there to show what the difference was in the total imports? How much did the total imports fall off this year during the month of August from what they were last year in the month of August?

Mr. UNDERWOOD. I read the figures to the gentleman, and if he will take his pencil I think he can subtract them. I have not the figures before me.

Mr. MADDEN. It is something less than \$8,000,000.

Mr. MANN. I thought possibly the gentleman had it there. I thought I must be mistaken, and it could not be only \$8,000,000.

Mr. MADDEN. That is all it is.

Mr. UNDERWOOD. Well, the fact that free imports have not fallen off so much as imports that are taxed is due to the fact that almost all raw material that we bring in free and admit free, other than that allowed by our last tariff bill, comes from countries in Europe that are not at war. For instance, our raw wool comes from Australia, some of it, and much of it from South America. Australia is a colony of one of the nations at war, but its conditions have not been disturbed as much as the mother country up to this time. Then, the iron ore that comes in here comes in from Cuba or comes in from Spain or from Norway, and is not imported from countries at war. In fact, the countries at war furnish us with very little, if any, of the raw material, and this fact accounts largely for the amount of free importation. On the other hand, the dutiable imports that come in from Europe, and about one-half of the imports that are taxed that come into this country, come to us from the countries at war, and show that great falling off in revenue. I want to call attention to another fact, and that is, in the port of Baltimore there has been a very much greater falling off in revenue than at the ports of New York and Philadelphia in proportion to the amount usually received at those ports. And why? Because Baltimore has very small warehouse facilities. Only a small amount of goods is carried in bonded warehouses in Baltimore, and you understand that, as long as goods are in bonded warehouses, they are not imported and not so regarded by the Treasury Department.

On the other hand, the dutiable imports that have come to us from places like New York and Philadelphia, where a very large per cent of the imports are entered, are articles from the large bonded warehouses, and most of those imports which are accounted for in August are goods that had already arrived before hostilities commenced in Europe and have since that time been taken out of the bonded warehouses. In fact, I am advised by the department that a very large proportion of the imports that were admitted at the port of Philadelphia in the month of August were taken out of bonded warehouses and did not come in ships from abroad. So the probabilities are that for many months the conditions shown now at the customhouses are likely to become worse, growing out of this war in Europe, instead of better. More than that, the business conditions, as well as the armies, of the countries at war have been shot to pieces. Their factories and their furnaces, their industrial business, has suffered as materially as their forces in the field. When this war is over—and we all hope it will be over at an early date [applause]—we can not expect, for many years to come, that the imports coming from those countries will reach the amount that has been coming to the United States from those countries. In the first place, when their business is reorganized it will probably be short of capital. In the next place, they will have first to supply the demands of their own people, and hence when they enter the foreign fields it will be much easier for them to contend for the markets of Africa and South America and the Orient than to come in competition with us; and when they push out for new business after the war is over they will push out along the lines of least resistance and send their exports to other countries rather than to ours. So that the condition in the revenue at the customhouses is likely to exist for years after this war is over. Now, with the loss of \$100,000,000 or more at the customhouse, whether we are operating under a Republican revenue bill or a Democratic revenue bill, it is necessary to take care of the Government and supply that shortage of revenue from some other source than the customhouse. That is the condition that confronts this country.

Now, you gentlemen are anxious to be returned to power—and that is very natural, gentlemen. I remained in that position many years myself [laughter], and I can appreciate your natural desire to have the country return you to power again.

It is perfectly legitimate for you to criticize the party in power, and, if we are men, we ought to be willing to stand up and take your criticism in good faith; but if we are right and we are men of courage at the same time, we are going to take care of this Government regardless of your criticisms. [Applause on the Democratic side.] You may say that we should economize, and I have no doubt you will say it [laughter on the Republican side]; and I can only say, in return, that this is simply a case of the pot calling the kettle black. [Laughter on the Republican side.] Personally, I should very gladly see a system of economy inaugurated in this country. Under the present system it is very difficult, if not almost impossible, for the Congress to inaugurate a system of economy without affecting the efficiency of the Government. For many years the Republican Party inaugurated a system of expenditures and appropriations under which the Democratic Party has been operating for the last four years. Commencing some few decades ago, we began to divide our appropriation bills among several committees. We decentralized the control of appropriations and left that control without a head. It has been my opinion for years, and is now, that the only way we can work out economy and efficiency at the same time is for the Government to centralize the control of appropriations, either by putting them in control of one committee in the House and in the Senate or by adopting a budget system that will have control over all committees; and I believe that the day is not far distant when such a system will be inaugurated. Some efforts have already been made on the Democratic side of the House looking to that result, and I think I can predict, although I expect to leave this body before long, I believe I can confidently predict that the next Democratic House will inaugurate a new system of procedure by which the appropriations will be centralized and either placed in the control of one committee or placed in control of a budget committee, and that then we will begin the real work of economy without affecting the efficiency of the Government. [Applause on the Democratic side.]

But the gentlemen on that side of the House who desire to criticize Democratic expenditures do not stop to tell the people that the last Congress that they controlled reduced this expenditure after it realized it was going out of power by making small appropriations and large contracts that its successor had to pay. [Applause on the Democratic side.] The gentlemen on that side of the House know this, and we know it. We know that the expenditures that we have been responsible for in the main have been the inheritance of contracts that we have gotten from the seed that had been planted by the party that is now out of power. Now, as to this bill, we were confronted with this condition when it became necessary to write a new revenue bill to supply the needs of the Government: We not only had to raise the revenue, but we had to raise it at once, or we had to disturb the fiscal conditions of the country by withdrawing Government money from Federal depositories.

Now, I heard gentlemen this morning criticize us for bringing in a bill here while keeping Government money in Federal banks. I want to say to the gentlemen on that side of the House that there is \$75,000,000 of Government moneys in national banks of the country to-day, and you put \$60,000,000 of it there. When Woodrow Wilson became President of the United States he found \$60,000,000 of the \$75,000,000 in these banks, placed there by your Presidents and your Secretaries of the Treasury. Recently we have increased that amount to \$75,000,000—and why? Because of the closing down of the stock exchanges; the fact that the countries of Europe went to a paper basis and stopped specie payments; the fact that a large amount of foreign-held American securities were dumped on this country and endangered temporarily every financial institution here, because, whether it was a country bank that discounted some of its paper in New York or whether it was a great institution of the East engaged in foreign commerce and foreign exchange, they were all threatened by the same blow.

If the Government of the United States had not gone to the rescue of these institutions whose solvency was jeopardized, not by any fault of their own but by the conditions coming from the war zone of Europe, if we had not gone to the rescue and the great banks had gone down, it would have shaken the banking institutions and the financial institutions of this country from center to circumference. The bank in the far West would have found itself in the same jeopardy that the great banking institution found itself in. I think, gentlemen, you will go to the country with an idle tale if you expect to be returned to power because the Democratic Party, when this great emergency faced the financial life of this Nation, responded to the demands of patriotism and to the needs of the Government. [Applause on the Democratic side.] So far as

the bill itself is concerned you pointed the way for this bill when you got into trouble yourself once. You approved of it and stood by it when it was necessary to levy additional taxes by reason of the Spanish War. You levied an additional tax of \$1 a barrel on beer at that time. This bill levies an additional tax of 50 cents a barrel on beer. You levied a tax of 8 cents a gallon on wine at that time. This bill levies a tax on sweet wines of 20 cents a gallon and 12 cents a gallon on dry wines. The only tax that is levied in this bill that you did not father in 1898 is a tax on gasoline, and this bill levies a tax on gasoline of 2 cents a gallon. We have reenacted your Spanish War taxes as they were, except that we have excluded some. We have excluded the tax on checks and do not tax bank checks at all. We have excluded the tax on warehouse receipts, and do not tax warehouse receipts at all. And we have excluded some other taxes. The only increase in tax is on tobacco dealers. You provided a tax in 1898 of \$12 on all dealers in tobacco, not otherwise provided for, who sold as much as 50,000 pounds. We cut out the limitation and reduced your tax from \$12 to \$4.80. You provided a tax of 1 cent on each receipt given for a sleeping-car berth or a seat in a parlor car. We have increased that tax and made it 2 cents. These are the only increases in rates that we have made in your revenue bill of 1898.

These taxes will produce a revenue on fermented liquors of \$32,500,000; on wines, \$6,000,000; gasoline, \$20,000,000—and that is probably an underestimate—and special taxes, such as on bankers, brokers, and tobacco manufacturers, and so forth, of \$16,500,000; and stamp taxes, \$30,000,000. I think that is a conservative estimate of the revenue that this bill will produce, and it will bring to the Treasury about \$105,000,000. Of course the man whose beer is taxed may say that we ought to tax something else. The man whose gasoline is taxed may want us to levy the tax in some other way, but it does not lie in your mouths to say if it is necessary to levy this tax that it is not levied along lines of conservatism and along lines that you approve of, because you approved of it in 1898, every bit of it, except the tax on gasoline.

Now, the larger proportion of this tax will fall on luxuries and not on necessities. Thirty-two million five hundred thousand dollars falls on fermented liquors and \$6,000,000 on wine. At least half, if not more, of the gasoline tax will fall on automobile owners, even at a conservative estimate.

Mr. HULINGS. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from Pennsylvania?

Mr. UNDERWOOD. In one moment. Now that half of the tax on gasoline will be paid by automobile owners—paid on a luxury—and \$38,000,000 or \$39,000,000 of the tax will fall on beer and wine, and \$16,500,000 on special taxes, then at least \$60,000,000 of the \$100,000,000 falls on luxuries and not on the necessities of life.

Mr. HULINGS. Mr. Speaker, will the gentleman yield now?

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from Pennsylvania?

Mr. UNDERWOOD. I do.

Mr. HULINGS. I would like to ask if the bill contemplates a tax on all gasoline?

Mr. UNDERWOOD. It does.

Mr. HULINGS. As I read the bill, it is only gasoline that is produced from crude or refined petroleum or the residuum of petroleum. There is a very large amount of gasoline that is produced from gas.

Mr. UNDERWOOD. Well, I understand that that gasoline is called "motor spirits." The gentleman may not have a corrected copy of the bill before him, but at the last moment—

Mr. HULINGS. Yes, I have it; but it is known in the trade as gasoline.

Mr. UNDERWOOD. The bill now reads—

That upon gasoline, motor spirits, naphtha, and other products obtained from crude, partially refined, or residuum oils, and suitable for motor power—

A tax of so much shall be levied.

Mr. HULINGS. Now, there is a kind of gasoline that is not produced from either of those things—crude or refined or residuum petroleum.

Mr. UNDERWOOD. I think possibly the gentleman is in doubt. This provision was prepared with care. It was submitted for the Treasury Department to consider, with the very question that the gentleman has raised in view, and they contended that this definition would cover it all. But I will say to the gentleman that the purpose of the committee, and the desire of the committee, is to cover all gasoline, and that if I find that this definition is not sufficiently broad to cover it, I

shall be glad to suggest to the Finance Committee of the Senate that they broaden the definition so that it does cover it, although so far as I am informed and know the present definition will cover all gasoline. It is manifestly fair that if you tax the gasoline made by one man you should tax the gasoline made by another. If not, you might injure somebody's business, and it is the purpose of the committee, and I have no doubt of the House, to tax them all alike. [Applause on the Democratic side.]

Mr. STEENERSON and Mr. LOGUE rose.

The SPEAKER. To whom does the gentleman yield?

Mr. UNDERWOOD. I will yield first to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Has the gentleman any committee figures showing what proportion of gasoline is used for farm purposes, for running thrashing machines or plows or wheat separators, and such machinery as is used on the farm?

Mr. UNDERWOOD. I have no accurate figures, but I think that the gasoline used for such purposes is a very small per cent of the total gasoline used.

Mr. STEENERSON. In my country a very large proportion of it is used in that way.

Mr. UNDERWOOD. Well, the gentleman may think so; but according to my information it is a small percentage of the total gasoline used when you take into consideration the amount used for motor purposes in the industrial lines and that used for motor purposes for automobiles.

Mr. STEENERSON. In North Dakota and Minnesota and the Northwest generally a very large proportion of the work is done by gasoline.

Mr. UNDERWOOD. That is true; but a very small proportion of gasoline does it.

Mr. SMITH of Minnesota. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from Minnesota?

Mr. UNDERWOOD. Yes.

Mr. SMITH of Minnesota. If it should appear that motor spirits sell for 5 cents a gallon and gasoline sells for 10 cents a gallon, would the gentleman be willing that the Senate committee should take that into consideration, and instead of making a flat tax of 2 cents a gallon, as proposed in the House bill, they should graduate it?

Mr. UNDERWOOD. I should not. I do not think it is necessary. I think if you taxed them the same, you would not hurt motor spirits, and you can not afford to reduce the tax on gasoline, because we need the revenue.

Mr. SMITH of Minnesota. A man who pays 2 cents on 5 cents' worth of motor spirits pays about 40 per cent increase, and a man who pays 2 cents on gasoline pays about 20 per cent increase. It seems an injustice is done in that rule.

Mr. UNDERWOOD. I will say to the gentleman that if I could do so and if I were omnipotent, I would equalize all taxation in proportion to the ability of men to pay it; but I am not omnipotent and I can not do that. [Applause.]

Mr. LOGUE. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. LOGUE. This section states that a tax of 2 cents a gallon shall be placed on gasoline, motor spirits, naphtha, and other products obtained from crude, partially refined, or residuum oils and suitable for motor power. It is contemplated under this section, under the term "suitable for motor power," that that term shall be restrictive, or, if they are used for other purposes going into manufacture, will they be subject to taxation?

Mr. UNDERWOOD. They would be if they are suitable for motor power. Now, gentlemen, I have taken up more time than I intended. I thank you for your kindly consideration. I have no criticism of our friends on the other side of the Chamber who will indulge in criticism of our passing this bill.

The minority in every legislative body occupies a very useful position, and that is to criticize the action of the majority and see that they properly represent the people and faithfully carry out the mission that has been granted them. But to you gentlemen who hold allegiance to the party in power, I say that if we had known of the emergency that now confronts the Treasury, if we had known that our revenues were falling off and that they had to be supplemented at a future date, and had not been candid and fair to the country and courageous to ourselves, but had postponed the action until after the coming election, we might have subjected ourselves to criticism from the country and from our constituents; but to-day, in the face of this election, we have said to the country that we recognize the exigencies of the Treasury, we realize that conditions over which we have no control make this legislation necessary.

Mr. FORDNEY. Will the gentleman yield?

Mr. UNDERWOOD. Not just now. We recognize that to take care of the Government taxes must be levied to make up the loss coming to the country by the falling off of the customs revenue.

We present this bill to the country in the face of an election; we conceal nothing. We say whom we propose to tax and whom we do not propose to tax. We tell the country why it is necessary to levy this tax so far as the war is concerned. We are doing an unpleasant duty, but we are performing a duty that the country and the Government requires of us. I feel, that being the case, that there is no reason for any man who holds allegiance to the party in power for one moment to fear to go to the country and ask that country to approve of the man who has done his full duty in a courageous way. [Loud applause on the Democratic side.]

The SPEAKER. The gentleman from New York [Mr. PAYNE] is recognized for three and a half hours. [Applause on the Republican side.]

Mr. PAYNE. Mr. Speaker, I would like to be notified after I have spoken one hour, if I speak so long. Mr. Speaker, on the 3d day of October, 1913, at 9 o'clock and 10 minutes p. m., there were assembled at the White House a small coterie of congenial souls and prominent Democratic politicians to witness the act of the President in attaching his signature to the Underwood tariff bill. When he did this the President said—I read this from the Washington Post of October 4, 1913—

"I chose 9 o'clock," explained the President slowly, "on the advice of the Attorney General in order that the bill might be signed after business transactions everywhere, including San Francisco, had closed for the day."

If he had glanced at the preceding line, the last paragraph of the bill, he would have read paragraph U, "that, unless herein otherwise especially provided, this act shall take effect the day following its passage." [Applause on the Republican side.] They copied that from a better law which they wiped off the statute books [laughter on the Republican side], as they copied much of that law without giving credit for it. I suppose they copied that without knowing that it was in the law so that this farce was put into play at the White House on this particular evening.

The Post says further that Mr. UNDERWOOD on the same occasion said:

I have the utmost confidence in this new tariff law. Business men should not be alarmed in the least.

Why was he so anxious that business men should not be alarmed about the tariff law? "He doth protest too much."

They should be encouraged to extend their enterprises. I am absolutely confident that this law will reduce the cost of living in the United States, that it will not disturb business, that it will increase our foreign trade, and that it will provide ample revenue for the Government.

[Laughter on the Republican side.]

The gentleman this afternoon seems to be trying to hold the same flattering unction to his soul, but the law failed in every single particular that he was so confident about. [Applause on the Republican side.] Who then thought that in 10 months to a day the President of the United States would be here before Congress asking for legislation to provide additional revenue? When he asked for it, he said why. Let me read his language:

I need not tell to what this falling off is due. It is due in chief part not to the reduction recently made in the customs duty—

He seems to have been afraid that some one would have a suspicion that it was the failure in customs duty under the Underwood bill—

but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe.

Had there been any decrease in importations under the Underwood bill? Is there a man on either side of the House who does not know that the importations have jumped from month to month, until they have increased under that bill more than \$100,000,000? [Applause on the Republican side.] The decrease in revenue is due not to the decrease in importations, but because the rates were not so adjusted as to produce adequate revenue for running the Government.

The gentleman from Alabama [Mr. UNDERWOOD] skims very lightly over the operations of this bill during the first fiscal year. When Secretary McAdoo's letter was presented to the House, I said I believed that a proper analysis of that letter would show that the Underwood bill in its first year would have left a deficit in the Treasury, except that it was carried out on crutches

furnished by the Payne law, which it superseded. [Applause on the Republican side.]

I am prepared anywhere and at all times to prove absolutely that that was the fact. The Underwood bill did not go into effect until the 4th day of October. They had three months and three days to enjoy the superior provisions of the Payne Act, which they were superseding. They had the increased revenue which that act had provided for the three months and three days. Not only that, but they provided that their wool schedule should not go into effect until the 1st day of December, which gave them five months on the Payne wool schedules. Not only that, but they provided that the sugar schedule should not go into effect until the 1st day of March, which gave them eight months to enjoy the Payne sugar schedule. What was the result? Why, I think it appears in the figures presented in the gentleman's report, or, if not, it appears in the figures presented by the minority, and it appears in the figures presented by the gentleman from Alabama [Mr. UNDERWOOD]. There is a statement of the customs revenue from month to month, commencing away back in 1912 and running down to and including the month of August last, which I produce here, as follows:

Customs revenue and total ordinary receipts for the fiscal years 1912, 1913, 1914, and 1915 to date.

CUSTOMS REVENUE.

| Month. | 1912 | 1913 | 1914 | 1915 |
|----------------|-----------------|-----------------|-----------------|-----------------|
| July..... | \$23,404,502.50 | \$28,136,502.27 | \$27,806,654.54 | \$22,988,465.54 |
| August..... | 25,952,466.21 | 30,205,331.96 | 30,934,952.44 | 19,431,362.20 |
| September..... | 24,746,309.77 | 27,475,127.85 | 26,794,494.25 | |
| October..... | 25,757,036.40 | 30,216,824.02 | 30,138,049.37 | |
| November..... | 24,704,345.15 | 25,066,353.25 | 21,173,627.85 | |
| December..... | 24,587,327.35 | 24,248,161.30 | 21,510,139.99 | |
| January..... | 24,654,652.30 | 29,334,124.09 | 23,528,079.83 | |
| February..... | 26,337,528.23 | 27,605,115.83 | 17,609,603.70 | |
| March..... | 30,408,561.39 | 27,457,489.20 | 25,927,212.90 | |
| April..... | 26,184,467.79 | 23,093,966.76 | 22,232,766.57 | |
| May..... | 26,578,973.14 | 20,434,749.21 | 20,800,573.25 | |
| June..... | 28,005,501.99 | 24,417,650.12 | 23,672,372.94 | |
| Total..... | 311,321,672.22 | 318,891,395.83 | 292,128,527.63 | 42,419,827.56 |

Now, the Underwood bill took effect partially on the 4th day of October. Of course everyone knows that goods were held back prior to the 1st of October wherever the duty had been reduced. Of course the Payne Act did not have its full opportunity during those three months to produce revenue. Goods were rushed in in October, and that was the only successful month of the Underwood bill. It produced \$30,138,000 in revenue for the month of October. In the next month, November, the revenues came down to \$21,173,000. And take that month and the seven months following, the total revenue from customs receipts under the Underwood bill when it had almost full operation was \$174,500,000, or at the rate of \$21,820,000 a month—at the rate of \$261,840,000 per annum.

On the 2d day of July the gentleman from Alabama presented to the House a statement from the Secretary of the operations of the Treasury for the fiscal year 1914, as follows:

JULY 1, 1914.

Subject to revision upon analysis of complete returns, the following is a statement of the ordinary receipts and the ordinary disbursements for the fiscal year ended June 30, 1914:

| | |
|---|------------------|
| Customs..... | \$292,128,527.63 |
| Internal revenue, ordinary..... | 308,613,843.73 |
| Corporation, excise, and income..... | \$43,079,819.44 |
| Individual income..... | 28,306,336.69 |
| | 71,386,156.13 |
| Miscellaneous, including \$3,800,000 surplus of postal revenues for the fiscal year 1913..... | 62,215,172.71 |
| Total ordinary receipts..... | 734,343,700.20 |
| Total ordinary disbursements..... | 700,559,248.13 |
| Surplus of ordinary receipts..... | 33,784,452.07 |

In concluding this statement the Secretary said:

The department is exceedingly gratified with the results for the first fiscal year of the new tariff and income-tax law.

If we deduct from the amount of customs receipts under both the Payne and Underwood laws, as appear in the above table, the amount we have been receiving under the Underwood law, taking eight months up to July 31 as a basis, or \$261,840,000, we find that the Payne law actually earned \$30,308,000. If in addition to that we deduct the \$3,800,000 post-office surplus for 1913, which Mr. McAdoo says was credited to the revenues in 1914, we would have a total of revenues received from Republican laws of \$34,108,000, which more than wipes out the book-keeping surplus of \$33,784,452.07 appearing in the Secretary's statement made July 1, 1914, or an actual deficit.

To this should be added the sum of: \$6,000,000, general deficiency law, which, owing to Democratic delay, was not passed until July, and not charged in the Secretary's statement of July 1. A clear deficit in the working of the Underwood law, if left to itself, of more than \$6,000,000.

If there had been no war, it is not possible that the receipts from customs—\$262,000,000 under Underwood rates—and internal-revenue receipts—\$308,500,000—would have been greater. There is no indications from the returns of July that the customs receipts would have been greater, and the ordinary internal-revenue receipts were about the same for the two months, July and August, in the fiscal year 1914 and the fiscal year 1915. They have jumped up during the month of September, and most especially since the President gave out that there must be an auxiliary tax law, and attention from the first was focused on the raise in the spirit tax. Holders are taking out their spirits and paying the taxes to anticipate the raise in rates. Experience up to date is in anticipation of a heavier income upon this large item.

The income and corporation taxes were \$71,000,000 in the fiscal year 1914. For the year before the corporation tax amounted to \$35,000,000, leaving a gain of \$36,000,000 this year on account of income taxes. The corporation taxes covered the full 12 months which was credited in 1914, and the added income tax of \$36,000,000 covered only 10 months of the 12. Adding one-fifth of this \$36,000,000 would increase the taxes \$7,200,000, or a total of \$78,000,000 and upward. This tax for the year 1914 was levied on the incomes for the calendar year ending December 31, 1913, during which time business was infinitely better than it has been for the calendar year for which the entire income tax is to be levied next June. It is very doubtful whether this item would increase.

Miscellaneous receipts will be increased this year by \$12,500,000, received for the sale of two battleships, less the sum of \$3,800,000 postal surplus in 1913 and credited to 1914. In other words, there would be a balance of increase of \$8,700,000. Adding these items, there would be for the fiscal year 1915—

| | |
|--|---------------|
| Customs receipts..... | \$261,840,000 |
| Ordinary internal revenue..... | 308,613,000 |
| Corporation and income taxes (making no deduction for bad business)..... | 78,000,000 |
| Miscellaneous receipts (with \$8,700,000)..... | 71,000,000 |
| Total..... | 719,453,000 |

That the expenditures would be largely in excess of this sum there can be no reasonable doubt. They were over \$700,000,000 last year, and the appropriations so far reported have increased over 5 per cent for the total appropriations, including the post office and permanent annual appropriations. Adding 5 per cent for this year, we would have \$735,000,000 of expenditures. With rigid economy the income, had there been no war, might have equaled the expenditures, but without rigid economy it would not have done so. Clearly Mr. UNDERWOOD was mistaken when he recorded his prophecy that his law would produce sufficient revenue to pay the ordinary expenses of the Government.

The President looked at the revenues, \$19,431,000 in August, and then he looked back to \$30,934,000 in August, 1914, under the operation of the previous law, and he said, "Our revenues have fallen off \$11,000,000 and more." They had simply fallen off on the contrast between the two laws. What was the falling off compared with the average customs duties received under the Underwood law during the last eight months? I said the monthly average was \$21,800,000. The August receipts were \$19,431,000, and the falling off was \$2,400,000 from the average under the Underwood law, and that is all it was. Now, that would not have produced half as much of a scare if those figures had been properly used by the President and had been properly used by the majority of the committee when they brought in this report, because they indicate a falling off of only \$23,800,000 if it should continue for the whole year. That would not show any necessity for \$105,000,000 taxation, and yet that is the fact that existed. If the President is right, all that can be attributed to the war is \$2,400,000 a month of falling revenue. There is no occasion for any great scare about that. There is no occasion to say that you shall not issue certificates and tide that matter over until you see how long the war is going to last and what will be the effect of the war on the revenues of the Government.

If more money were needed at any time the President is amply authorized to raise it under the following provisions of the war revenue act of 1898, which provides for the issue of certificates of indebtedness, as follows:

SEC. 32. That the Secretary of the Treasury is authorized to borrow from time to time, at a rate of interest not exceeding 3 per cent per annum, such sum or sums as, in his judgment, may be necessary to meet public expenditures, and to issue therefor certificates of indebtedness in such form as he may prescribe and in denominations of \$50 or some

multiple of that sum; and each certificate so issued shall be payable, with the interest accrued thereon, at such time, not exceeding one year from the date of its issue, as the Secretary of the Treasury may prescribe: *Provided*, That the amount of such certificates shall at no time exceed \$100,000,000.

This section was designed to provide for any deficiency which might occur, and intended as permanent law. It was very carefully guarded, and not repealed when other parts of the war-revenue measure were repealed. It was inserted in the law of 1898 in order that whenever necessary the President might issue such certificates on short time to meet just such an emergency as the President thinks exists to-day.

It will not do for the party in power to say that bonds of the United States at 3 per cent could not be floated now, while they are ready to force through Congress an administration bill which proposes to issue 3 per cent bonds for \$30,000,000 for the Government to buy ships, and enter upon the perilous business of navigating them. If the Government can borrow money for this purpose, which is contrary to every Democratic principle ever enunciated by that party since its foundation, they certainly can get into the market for the aid of the Treasury and borrow money sufficient to meet the demands upon it. The next jump they take is a still longer one. On page 2 of the report they sum up the revenues received from the countries affected by the war, \$125,800,000, not under the Underwood bill, but under the former law when the revenues were greater, according to what appears here in this report, as follows:

Estimated falling off in customs revenue during the next 12 months because of the European war.

| Country. | Dutiable imports, value 1914. | Estimated falling off in revenues during next 12 months. |
|----------------------------|-------------------------------|--|
| Austria-Hungary..... | \$15,232,645 | \$5,267,000 |
| Belgium..... | 21,324,417 | 5,398,000 |
| France..... | 95,445,062 | 35,569,000 |
| Germany..... | 119,383,975 | 38,683,000 |
| Russia in Europe..... | 2,420,602 | 242,000 |
| Servia and Montenegro..... | 9,627 | 2,000 |
| United Kingdom..... | 132,173,220 | 40,653,000 |
| Total..... | 385,989,551 | 125,811,000 |

NOTE.—This estimate is made on the assumption that all imports from the European countries at war will cease during the next 12 months. The import values shown represent the dutiable articles imported during the fiscal year ending June 30, 1914. The estimated falling off in revenue is computed by applying the rates of the act of 1913 to the imports for the fiscal year ending June 30, 1914.

Forty million six hundred thousand dollars of those revenues are from goods imported from Great Britain. Thirty-five million five hundred thousand dollars are from goods imported from France. Is there any difficulty about communication or the transport of goods from Great Britain or France to the United States, or has there been for a single minute since this war commenced? [Applause on the Republican side.] You can take those \$76,000,000 worth of revenue entirely out of the question, because the condition is normal as between the two countries and our own in regard to the transportation of goods, and you then have left \$49,000,000 of revenue from the other countries engaged in the war, and of this \$38,683,000 are from goods imported from Germany. Well, there has been a little difficulty about getting into Germany. It almost drove my good friend and colleague from New York [Mr. Merz] wild, because he could not establish communications with his factory over there to bring in dyestuffs, but a week or 10 days ago he announced most triumphantly to the House that they had found a new avenue, and that the goods would come, and that the people in our factories would get their dyestuffs fresh from Germany, as they had been getting them in the past, and this morning the German ambassador in Washington gives out an interview in which he says:

It has been said that the export of goods from Germany is not possible and that consequently neutral countries should get goods heretofore imported from Germany from other countries. The passage of goods over German railroads has been resumed, and there is no reason why goods should not be exported, with the exception, of course, of those the export of which has been forbidden because of the war.

He refers there undoubtedly to goods that are contraband of war. He continues:

The export trade of Germany will be resumed in a large measure in the future.

In Germany the women and the children are cultivating their fields and the sugar crop will be cared for this year and planted next. The textile factories will run, and they will be able to furnish the quota of these goods which come into our markets and furnish the revenues, even though the war is prolonged,

now that the transportation problem is settled. In all these cases the women and children work in the factories on the looms. France showed a wonderful recuperative energy after the severe war of 1870, and her industrial activity was almost immediately reestablished. Such is the prospect as it now appears.

Why not wait until December before we pass this hasty and ill-considered legislation? Why try to force it through under a rule allowing no chance for amendment, and then with only four hours of debate, as originally proposed, afterwards so generously extended to seven hours. Seven hours' debate on a bill carrying \$105,000,000 of burdensome taxes to be placed on the people! Taxes to be wrung from the "peepul's" money, which we hear about so often from Democratic "statesmen" with tears in their voices, their sympathy going no further than empty demagogic phrases. When they come to appropriate there is no tremor in the voice with which they vigorously shout "Aye!"

And yet we have all this scare and panic worked up about importation of goods from foreign countries. Why, you do not know anything about it. It is all guesswork. Why not wait a little while and tide the matter over? Oh, but you have only \$122,000,000 in the Treasury, and \$75,000,000 of that is loaned out to national banks on call. Is it going to inconvenience or bankrupt any of those banks if the Government should call in two or three million dollars a month for two or three months? [Applause and laughter on the Republican side.] Let them pay their indebtedness to the Government and let us carry on the operations of the country. Yet that is urged as a reason for expedition in the passage of this bill.

Gentlemen on the other side tried to expedite it, and they went up to the source of all their legislation. [Applause and laughter on the Republican side.] Finally we have this bill. First they presented a bill that taxed railroad fares throughout the United States, and some of their friends whispered in their ears that that would not do, because they would drive every commuter away from the party if they had to pay that tax on a ticket every day. They then took the matter before the committee, and the committee had political sense enough to vote it down. They left that out. Then they were going to tax freight, and the papers reported that they had agreed on that, and they took that over to have it censored, and the blue pencil was drawn across that and that went out, and we did not hear any more about taxing freight. Then they agonized for a while on the subject, and the papers said that instead of taxing railroad fares and railroad freight, they were going to put more taxes on incomes. They took that over to the other end of the Avenue to have that reviewed, and the word came back that there was no use taxing incomes, because they would not get any return from that until July, 1915. Then they struggled again for two or three days, according to the newspapers, and the things that dropped out from their struggles. They were going to put on this excise tax and next year take it off, and then substitute an income tax. That would get around quickly enough for next year. That would tide them over, and that seemed to have settled all their difficulties. Why do not you follow that out? Did you find that the real reason for opposition to the increase in the income tax was because it was thought that it might become unpopular with those who paid it and excite them somewhat when an election was coming on in November next? They finally went back to the excise tax. They say they have copied our excise tax. They have, to some extent.

My friend from Alabama [Mr. Underwood] did not always like that excise tax. He was here in 1898, and he printed a speech in the RECORD on the 28th of April, 1898, and he then voiced his objections to that bill. Mr. Speaker, it was stated in that debate by a prominent Democrat that they had taken the Republican Party by the scruff of the neck and had forced them into the Spanish War, and there was some truth in that, because I had the honor to stand out against the Spanish War to the last day, and I only wish to-day that we had prevailed in it, and if we had you would not have had the Philippine question on your plate now. President McKinley believed that he could accomplish everything without war that has been accomplished with war, so far as freeing the Cubans from the domination of Spain is concerned. And from what I have heard from a source near to the Spanish Government I have not any doubt it was correct, and it was because of your agitation in Congress; it was because of the sinking of the *Maine*; it was because that board found that the sinking was from an outside explosion without any proof on the subject that satisfies. People were excited and we were rushed into a Spanish War and you got enough people on this side of the House, some of whom were almost as cowardly as all of you seem to be now. [Applause]

on the Republican side.] So we had the Spanish War and you did your part toward it, and when we came to pay the bill where were you? It is not a question of patriotism now. [We are in no war with the nations of Europe. We have not any cloud of war on the horizon except our good ally, Gen. Villa. [Laughter and applause on the Republican side.] And that has not got to a dangerous point yet, but it looks like it. What did Mr. UNDERWOOD say in 1898:

What is the bill they have brought before the House? Does it allow the wealth of the Nation to pay its share of the taxes to maintain our armies and navies in the field?

The gentleman says he copied our bill, and to-day he says that he taxes the wealthy people and the taxes on the poor people are comparatively light. What new influence has come over the spirit of his dream since 1898? The bill that taxed only the poor people then is now, in 1914, to be a bill that taxes the rich people. [Laughter on the Republican side.] He says:

No; it again lays additional taxes on consumption—

As though you could tax anything in the United States that did not enter into consumption—

It doubles the taxes on beer.

Well, he has added 50 per cent. I do not know whether that is a concession to the rich or the poor. [Laughter on the Republican side.]

In the end the consumer must pay for it by getting a less amount for his money.

Now, his colleague from Alabama would say that would be a benefit to the consumer to get less of it. I am not expressing any opinion on the subject as I go along. I am simply trying to reconcile these brethren—that is, trying to reconcile what the gentleman said in 1898 with what he says to-day.

It increases the tax on tobacco, and already, in advance of the passage of the law, the merchants have put up the price on their goods.

Why, did not you tax tobacco? Who has raised the question about the raising of so much tobacco in the South and the committee; and is there any reason why you did not tax it?

SEVERAL MEMBERS (on the Republican side). No!

Mr. PAYNE. Let some brother answer in his own time in regard to that. Perhaps all the "poor people" live in the South—I do not know—and you are trying to lessen the burden to the people down there.

They have invented innumerable stamp taxes that must annoy and harass the people.

[Laughter on the Republican side.]

What we did in presence of a war you do now by this bill that is brought in here without any reason for its being here and which you propose to enact when it is not necessary to enact it.

This tax will fall almost entirely on the hard working and industrious artisan, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for the benefit received.

[Applause on the Republican side.]

This is the bill the gentleman has brought into this House and seeks to pass after working for two or three weeks in trying to find some way to collect a tax that would not hurt anybody. I did not know but what he had come to the question of raising revenue by restoring some of the rates of duty. Why, in our bill in 1898 we put a tax of 10 cents a pound on imported tea. I was surprised to find out that the consumer of the article did not pay a cent of it, but half of that 10 cents was paid by the men who raised the tea either in Japan or on the islands, and the other half was paid by the importers and middle men. You said it would come from the ultimate consumer, but it did not turn out so. The people who consumed paid no more.

The duty on tea was repealed afterwards. But the consumer has paid the same for his tea ever since. Why, we had a tariff 40 years ago on coffee and the Government got a big revenue out of it. Some men came along and talked about a free breakfast table and it was taken off of coffee, and Brazil turned around and placed an export tax on it to the exact amount of the duty, and they have collected that tax for years and we have not had a cent of it.

You reduced certain duties. The gentleman from Alabama was honest when he said, in the presence of the President, that they were going to reduce the cost of living, because he thought it might be some benefit to them to take off these duties. Is there anything that any of you can mention who follow me in this debate that has reduced the cost of living a single dollar? Sugar was a little bit cheaper at wholesale—35 cents a hundred—but what did that have to do with the poor man who took home his 5 pounds, paid his 5 cents a pound for it, just as he has been doing for 29 years? Oh, you simply took it out of the Treasury of the United States, and in this case you paid it over to the sugar refiners, about whom you have howled on

the stump these many years. [Applause on the Republican side.] They got the benefit, and they are the only people who got the benefit. And if you read over the Hardwick hearings you will see they are the only people who wanted sugar free of duty. They wanted it, and they told why. They said the sugar-beet people were coming and getting away their custom and pounding down the price of sugar so long as the beet crop was in the market. They wanted to remove that competition. They were the people that were asking. That is the evidence that you had. I do not suppose you ever read a line of it when you went to put sugar on the free list.

The time was when the gentleman from Alabama [Mr. UNDERWOOD] wanted the duty left on sugar. He was in accord with every civilized country in the world; all have a revenue duty on sugar. [Applause on the Republican side.] He wanted to keep about what the duty pays to-day, and he brought a bill in here, and all of you who were in the Sixty-second Congress voted for it and passed it through the House.

I do not know when he had the change of heart, but it was reported that he stood for a sugar duty while the bill was before the House, and one day he took a stroll up Pennsylvania Avenue, and free sugar was put on afterwards. I do not know how it came about. [Applause on the Republican side.] I was not there. You make sugar free on May 1, 1916. If you had kept a duty on sugar after the 1st of May, 1916, you would not be thinking about continuing this infamous tax bill for perhaps many years, as the gentleman from Alabama says. He says he does not know how long. You have got to keep it after 1916 to meet the loss of duty on sugar. You took off the stamp duties—it was a mere bagatelle—on December 31, 1915, by the terms of your bill, but you kept the rest of it on. You have got to have something to replace the \$40,000,000 of revenue on sugar that you have surrendered to the foreign growers and the importers and the refiners of the United States—for the benefit of the people who get no benefit from it. We had as cheap sugar as they had in England for years. We had cheaper sugar than any other country in the world for 20 years with the duty on sugar. And coming along and not knowing what you were doing, you tore down the structure. You do not benefit anybody, the ultimate consumer does not save a cent out of it, and we lose the revenue. Why, if that bill had been what Mr. UNDERWOOD had supposed it was, was going to have the effect he supposed it would, there would not be any danger of securities coming in from abroad and absorbing our gold to-day. Look at it! We pay \$200,000,000 in gold for freights to foreign nations. Our tourists spend \$100,000,000 abroad every year; and that makes \$300,000,000. The presidents of the railroads who appeared before the President of the United States the other day testified that there were from three to five billion dollars of railroad securities held abroad. Suppose there was \$4,000,000,000 drawing 5 per cent—\$200,000,000—in interest on railroad securities? And doubtless it is not more than half of the securities of the United States that are held abroad. And this sum must be met. You say we can not sell where we do not buy. We sold under the Payne Act, and we increased our sales month by month during the life of that act. [Applause on the Republican side.] What have you done? You have reduced the sales. Ever since the Underwood Act went into full effect you have reduced them. Here are the figures:

Total imports and exports for the 13 months ending July 31, 1913, and 1914.

| | Amount. | Balance. |
|---|-----------------|---------------|
| Imports: | | |
| 1913..... | \$1,932,202,804 | |
| 1914..... | 2,054,347,313 | \$102,084,509 |
| Exports: | | |
| 1913..... | 2,626,874,927 | |
| 1914..... | 2,518,708,780 | \$108,166,147 |
| Total decrease of foreign commerce..... | | 210,250,656 |

¹ Increase.

² Decrease.

You have reduced them \$108,126,147—I will put the correct figures in the Record—since that act went into effect. And then you have increased the purchases abroad \$102,084,509. In 13 months. There is a difference on the wrong side of the ledger in the two sums of \$210,000,000, all owing to the disturbance in trade caused by the Underwood law. [Applause on the Republican side.] That was one of the things that was the matter with us. We have \$210,000,000 more to meet. It is not alone interest on the securities and the freight and the tourist expenses, but we have \$210,000,000 more to meet, and that is what draws the money from the banks. If the banks are suffering

now, that is what is drawing the money out of the country. If you had only framed a tariff bill on the proper lines, that would have kept the balance of trade in our favor instead of against the United States, you would not have this difficulty now. Do not lay it to the war. The war is not to blame for it, but you are to blame for it. You put yourselves in that position by your unwise tariff law. It has done nobody any good. It has not made the cost of living any cheaper.

However, it has done somebody good, namely, the sugar refiners. And there are the importers, and there are the manufacturers abroad. It has helped them, but it has hurt the United States. It has brought woe and misery to millions of our people. I do not know whether it was at the meeting on the 3d of October or not, but the President, in alluding to this bill, talked about the "new freedom," and the plain people of the United States now believe that the "new freedom" was the old free trade that had caused so much disturbance under Democratic administration in years past. This is not a new thing. You had under the Wilson bill the same condition of things. You had under the Walker bill the same condition of things. Gold was discovered in California and helped you out when the Walker bill was passed.

The Mexican War of 1846 to 1848 came on, and that helped out a bit; and then the Crimean War abroad came along, and that helped out; and some of you wise old fellows who read history and who go back to those times are just hoping that this present war abroad is going to help you out this time. But you got too far wrong with your tariff bill. [Applause on the Republican side.] The people of the United States have had time to see how it worked. There was no sign of a war in Europe up to the 1st of August. There was no difficulty in that direction. Nobody thought there would be a war on that side of the ocean except a few wise old owls abroad. It dropped like a thunderbolt from a clear sky. It did not affect trade up to that time. It was your bill, your tariff bill, the workings of your laws, that left this country in that condition.

Now, what are you going to do with this money when you get it? [Laughter on the Republican side.] It is \$105,000,000, you say. Well, that will make quite a sizable sum for the boys to go after in the appropriation bills. [Laughter.] I wonder how many of you know about the size of the appropriations for the year 1915, as compared with the year 1914. Thus far there has been no river and harbor bill this year for the fiscal year 1915. There was one for the fiscal year 1914. Taking out the river and harbor bill for 1914, you will find that the appropriations are \$31,000,000 and upward more for the fiscal year 1915 than they were for the fiscal year 1914; and yet you pledged the people, if you got in, to rigid economy, did you not? [Laughter on the Republican side.] Why, you can not meet them on that. No special plea will do it. Even the plea of the gentleman from North Carolina [Mr. POW], who says that one hundred and forty-odd Republicans forced 280 Democrats to be extravagant in their appropriations, will be without avail. [Laughter on the Republican side.] You are bent on deceiving the people, but you can not do it this time. [Renewed laughter on the Republican side.]

What are you going to do with it, I repeat? I wonder if my friend from Florida [Mr. SPARKMAN] is still after that \$53,000,000 to aid commerce and irrigate southern rivers with dry bottoms? [Laughter and applause.] You should put your money where it would do the most good.

What are you going to do with the Shackelford good-roads bill? Do you remember how you put that through? I was about the only man who stood up and protested against it—I with a few others. I made a short speech on the subject, and the newspapers took it up and they published it all over the United States. I heard only one criticism of that speech, and that was from a New York paper, to the effect that I had not gone far enough, that I ought to have said that from \$40 to \$60 a mile, where there was a mile of road for free rural delivery, would hire 20 heelers on the day before election in each congressional district. [Laughter.] Well, it would have done that, and if it would have done any other good in the United States I fail to see it. It was a ridiculous thing. I remember that a week or 10 days after that, out in the lobby here, I was talking to one of the gentlemen who voted for the bill, and he said, with tears in his voice, "That bill has become the most unpopular bill in the United States." Why? Because they had turned the light on; that is all. It went over to the Senate, and I think they were talking about a \$500,000,000 issue of bonds—for good roads, you know. [Renewed laughter.]

Perhaps you think that will keep you in Congress, but it will not do it. I have been here about 30 years, and I know something about that. You thought that getting offices would keep you in, and yet every one of you who has gotten an office from

the President is in hot water about it—every living soul of you. I have been through that myself. It will not help to keep you in. Do not follow the President around in order to get an office, but look after your constituents, and look after the good of the country, and stand up here with me for economy in the administration of the Government. [Applause on the Republican side.] There is nothing in this situation that can not be met by economy.

Well, one good, brave Republican in the other body stood up there for about a week (assisted by a very small band); an honest man, one of the best men in the country. He exposed the infamy of that river and harbor bill. They did not get much help. It was said they were filibustering, and yet the wonderful thing about it was that that man talked sense that could not be answered, in bringing his arguments against that bill. They tried to tire out that man and his comrades, and dug up old rules that the Senate had regarded as obsolete for years; but, finally, he triumphed, and the committee came in and offered the very amendment that they had voted down when he offered it the day before; and if the House has sense enough to agree to it, that river and harbor bill will be cut down to \$20,000,000. [Applause.] You will save \$20,000,000 on your expenses.

Not only were your appropriations \$31,000,000 more, but your appropriations for pensions were reduced from \$180,000,000 to \$169,000,000, a reduction of eleven and a half millions from last year. And then on the Panama Canal, from an actual expenditure of \$35,000,000 the appropriation was cut down to a little over \$20,000,000, a difference of \$14,000,000, or \$25,500,000 saved on those two items that you did not have to appropriate for; and, yet, notwithstanding that, your appropriations this year amount to over \$31,000,000 more than they did last year; and with the \$25,000,000, that amounts to \$56,000,000 increase this year over last year on the other objects appropriated for.

The gentleman from Alabama [Mr. UNDERWOOD] says there has been a great deal of talk, but not much accomplished, and he blames it to the separating of the appropriation bills and sending them to different committees. I was here when that change was made.

Samuel J. Randall, of Pennsylvania, opposed that change in reference to the appropriation bills. There have never been any arguments brought against it that Randall did not advance in that Congress. He was a great, big man, as well as a Democrat. There were giants in those days on both sides of the House; but still they separated the appropriation bills and sent them to different committees, and that has been done ever since, and probably the House will never get rid of that change. But did you ever think that these departments are not bound to spend all of the money that Congress appropriated? They can economize. There is no law compelling them to spend all the money that Congress appropriates. They do not spend all of it. Some of them are economical and cut off some of it. Why, instead of coming up here and making that speech and asking Congress for this tax of \$105,000,000, it was perfectly competent for the President of the United States to call his Cabinet around his table in the Cabinet room and say, "Now, look here, gentlemen, we must economize. There is a war in Europe, and we must economize." Of course, he could not confess the whole truth about it and say, "It is principally on account of the Underwood bill that the revenues have fallen off." He could not say that to his Cabinet, because UNDERWOOD had told them when the bill was signed that the revenues would not fall off. But he could have told them that they must economize. Why not economize? Everybody in the United States is economizing [applause]—the farmers, the laborers, the merchants, the business men are all practicing economy. Why? Well, my friend from Alabama [Mr. UNDERWOOD] came pretty nearly letting the cat out of the bag. He said that the revenues are running a little smaller under the income tax because trade conditions are not good. Well, they are not. It is the first time I have heard an open confession of that kind since I heard about the psychological effect on trade. [Applause on the Republican side.] All confessions are in the same line. Of course, trade conditions are not as good.

The gentleman from Alabama thinks he is going to have an increase on his income tax this coming year. Let us look at that a little. We are going to have \$14,000,000 more, he says, because the tax will run for 12 months instead of 10. Can it be possible he does not know what is in his bill? Why, the bill provides that the taxes on incomes of corporations shall be collected for the full year in the first year of the law, as they were collected under the provisions of the Payne bill, which first put this tax on corporations. And so every dollar of that corporation tax was collected—for what year? For the calendar year ending December 31, 1913, not the fiscal year. In-

comes are now being earned to pay an income tax for the next year. Does anybody imagine that incomes are going to be as large as they were last year? Look at the railroads of the country, look at what they presented to the President of the United States about the condition of the railroads, and in such a fashion that the President finally heard them. Look at the railroads that have cut their dividends, look at the railroads complaining all the time and having to cut off trains because of the lack of patronage. They have been paying on incomes, but they can not pay on incomes that they do not get in the calendar year 1914.

Have you thought of it? Have you thought of the fact that the revenue depends on prosperity? [Applause on the Republican side.] The greater the prosperity the greater the revenue under the same rates, all things being equal. There is no revenue that depends so much on prosperity as an income tax. Thirty-six million dollars' increase in incomes and corporation tax over the corporation tax of the year before! If you had good luck you would get one-fifth of \$36,000,000 in addition—some \$7,000,000. Does anybody imagine that \$7,000,000 will equal the loss of revenue to every man that has an income in the United States?

I was talking with a woolen manufacturer a few days ago who had a \$700,000 plant. He said he had been operating it to the best of his ability for the last six months in order to keep his force together. He had taken an inventory, and on that \$700,000 plant in six months under the blessed Underwood tariff he had a profit of less than \$1,000. He said he was going to run it another six months, but what the result would be he did not know. He said that when he came to make the return, they might think that he was wrong, because he would not have any income to pay a tax on unless the next six months were better than the last six months. That is the way all over the country. I went to a town the other day where there is a manufacturers' association, and they have been keeping an account of the number of men employed and the percentage unemployed in the past six or eight months. They have a secretary and an office and they get accurate information. Less than 50 per cent were employed under the Underwood tariff law that were employed continually under the tariff bill that preceded it. The President honestly thinks that he is not to blame for any of this, and that you are not to blame for it, but that it is all on account of the war in Europe; and still you can not show any connection between the war in Europe and the falling off of the revenue.

Why, the loss in importations in the month of August was only a falling off of 6 per cent, and the loss of revenue was a loss of over 37 per cent. That is where this trouble is, and you can not meet it by blaming the war in Europe.

Take a sensible course. We provided for this very thing. We knew that you would get into power some time, and away back in 1898 we provided for \$100,000,000 in certificates to run not over a year at 3 per cent to tide over just such an emergency as you think you have. Now, if you wish to strengthen the Treasury, take advantage of that law, issue \$2,400,000 worth right off for August, and you will get that quicker than any revenue; and if that is not enough, then issue that much again for the next month. People will take that. Keep your Treasury full and an available balance as full as it is now. It is larger than the average has been during all the time since Woodrow Wilson was inaugurated. There is no special cause for alarm.

The banks reported 10 days ago that they were in good condition, in such good condition that the Secretary of the Treasury, Mr. McAdoo, is going to put the screws on them for keeping so large a surplus. There is no cause for alarm. You are inexcusable in trying to enact this law. Why put this heavy burden on the people? Think about it before you do it. Think of the men that have to pay it; think of the people in their little homes struggling along, working almost down to the bread line, and then you come along with an excise tax. Now, if we were engaged in a war, that would be another thing. Everybody would like to do his share. No one would mind being taxed; but if you put this burden on the people now, a burden most grievous to be borne, it will make you round-shouldered on the 3d day of November next and the people will hold you to account for it.

Oh, and look at this Alexander shipping bill, so-called, coming from the White House, according to reports. I do not know anything about the White House, but that is the report, that it comes from the White House, and it is to do what? To issue \$30,000,000 of bonds and sell them to buy ships with. You can not issue bonds to pay your debts or to keep your Treasury sound, but you will issue bonds to go into the sailing business. [Laughter on the Republican side.] What a proposition. There

is to be a board appointed, and I do not know whether it is to be called a sailing board or not, but certain positions are to be created, places made for a few deserving Democratic politicians. Fifty-one per cent of the stock is to be owned by the Government and 49 per cent by outside individuals, if anybody is fool enough, outside of the Government, to invest a dollar in the 49 per cent of stock; and if they do not, then there is a provision in the bill that the Government can own the whole stock. What man is going to invest his money, who has any money and who is sane, to be managed by a board appointed and kept in office by a lot of politicians? [Applause and laughter on the Republican side.] That is the bill. And why? Is there any cargo offered for Europe that does not find a quick taker in empty bottoms that are ready to go to Europe? Oh, you have passed one or two shipping bills. You have provided American registry for foreign-built ships. Who has taken advantage of it? Oh, the Steel Trust, and the United Fruit Co., and the Standard Oil Co. They have taken advantage of it, one or more of them.

The Steel Trust has sent one vessel down on the west coast of South America. I do not know whether they have taken advantage of your insurance bill or whether you have insured anybody under your insurance bill. Talk about paternalism. Talk about subsidy. Was there ever anything invented like these bills? Oh, when you get on the stump you can say to all the good and great—close your eyes, as in the form of prayer—you have been Democrats all of your life, and you cherish Democratic principles, and you are all opposed to subsidy in every form. [Laughter and applause on Republican side.] You have voted for these measures. Is it Democracy? They are opposed to every Democratic principle that you have ever professed—I will not say that you have ever had, for I begin to doubt whether you have ever had any. [Laughter and applause on Republican side.] Then see how you go back on your platform. Take the question of economy. Take the question of free tolls; and now you are halloing for a second term, after your solemn profession against it in your platform. Do you think the people are going to be fooled by any such nonsense as that—a platform simply to get in on and not to stand on when you get there? Yet that is what you are doing.

Mr. Speaker, I wish I had some time to talk about this thing. [Laughter.] There are a few things that I would like to say, but I will put them into the Record after a while. I will get them all in there, and I invite you to read them, and it will furnish you food for reflection; and if you change your politics between now and election time you can find lots of good, solid, plain truths for the people to use on the platform. [Applause on Republican side.]

Oh, do not pass this bill. Do not pile this burden on the people. Live up to your professions; practice economy. There is no need of passing any such bill as this. You can get along without it. If after a few months you find that you have need for money, you can issue some of these certificates; but there is an abundance of money in the banks belonging to the Treasury of the United States. Do what I say, and see how the war is going to terminate, and when it does terminate then see whether you can not get revenue enough without all of these taxes that you are putting onto the backs of the people, and if you can not, then amend the Underwood bill, and make such a bill as will produce enough revenue to run the Government.

Mr. Speaker, I said I would show that that bill had not in 1914 produced enough revenue to run the Government without the aid of the Payne tariff bill, and I will put that in the Record, and the prospects are that it will not produce sufficient revenue and would not have produced enough. You will not produce sufficient revenue to run the Government, war or no war, if you continue to indulge in the wild extravaganzas that you have set here day after day and voted into the appropriation bills against the protest of such men as Mr. FITZGERALD, of New York, and Mr. Sisson, of Mississippi.

On April 10, 1914, Mr. FITZGERALD, chairman of the Appropriations Committee, said:

Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place, to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of the Republicans and the abolition of useless offices in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try

to live up to the promises they made to the people. * * * My colleagues upon this floor seem either to be so indifferent to a very perilous situation for our party or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government.

We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believed that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get into power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country.

I appeal to them now before it is too late; I appeal to them now before we have gone beyond recall to stop the conduct of which they have been guilty. Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

In April, discussing appropriations, Congressman Sisson, Democrat, of Mississippi, said:

This is the most outrageously and criminally extravagant Congress that ever sat on the American Continent. I want to apologize to the Republicans for having called them extravagant when they were in control of the House. They were modest in comparison with the appropriations that we are now making.

[Prolonged applause on the Republican side.]

FRANCHISES IN PORTO RICO (H. DOC. NO. 1168).

The SPEAKER laid before the House the following message from the President of the United States, which was ordered printed and referred, with accompanying documents, not ordered printed, to the Committee on Insular Affairs.

The message is as follows:

To the Senate and House of Representatives:

As required by section 32 of the act of Congress approved April 12, 1900, entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," I transmit herewith certified copies of franchises granted by the Executive Council of Porto Rico, which are described in the accompanying letter from the Secretary of War transmitting them to me. Such of these as relate to railroad, street railway, telegraph, and telephone franchises, privileges, or concessions have been approved by me, as required by the joint resolution of May 1, 1900 (31 Stat., 715).

WOODROW WILSON.

THE WHITE HOUSE, September 24, 1914.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 1930. An act granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2616. An act to promote the efficiency of the Public Health Service; to the Committee on Interstate and Foreign Commerce.

LEAVE OF ABSENCE.

By unanimous consent, Mr. HARRIS was granted leave of absence, indefinitely, on account of illness.

EXTENSION OF REMARKS.

Mr. CASEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting an article from the Wilkes-Barre Record on the plan to relieve the South from the present situation in regard to the cotton crop.

The SPEAKER. The gentleman from Pennsylvania [Mr. CASEY] asks unanimous consent to extend his remarks in the Record by publishing an editorial on the way to relieve the South in reference to the present trouble about cotton. Is there objection? [After a pause.] The Chair hears none.

Mr. GREENE of Massachusetts. Mr. Speaker, what is the request?

The SPEAKER. The request has been granted, but the gentleman from Pennsylvania asked unanimous consent to extend his remarks by publishing an editorial on the way to relieve the South in reference to the present trouble about cotton.

Mr. GREENE of Massachusetts. All right; I have no objection.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.) the House adjourned to meet to-morrow, Friday, September 25, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. GLASS, from the Committee on Banking and Currency, to which was referred the bill (H. R. 15038) proposing an amendment to the Federal reserve act relative to acceptances, and for other purposes, reported the same with amendment, accompanied by a report (No. 1165), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (S. 6505) to amend sections 11 and 16 of an act to provide for the establishment of Federal reserve banks, etc., approved December 23, 1913, and commonly known as the Federal reserve act, reported the same with amendment, accompanied by a report (No. 1166), which said bill and report were referred to the House Calendar.

Mr. KAHN, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 346) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservation, reported the same without amendment, accompanied by a report (No. 1167), which said joint resolution and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills and joint resolutions, which were referred as follows:

A bill (H. R. 18352) granting a pension to Isaac Kestbaum; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 18786) granting an increase of pension to Charles Hoff; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

Joint resolution (H. J. Res. 334) to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PORTER: A bill (H. R. 18931) incorporating the Veterans of Foreign Wars of the United States; to the Committee on the District of Columbia.

By Mr. MAHAN: A bill (H. R. 18942) to provide for the purchase of a site and the erection of a public building thereon at Essex, in the State of Connecticut; to the Committee on Public Buildings and Grounds.

By Mr. BROUSSARD: A bill (H. R. 18943) to define the true intent and meaning of section 48 of the act of August 28, 1894, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWARD (by request): A bill (H. R. 18944) to provide for the issuance of currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. FOSTER: Resolution (H. Res. 630) to terminate consideration of bills under House resolution 536 and to make privileged H. R. 12741, relating to radium ores; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 18945) granting a pension to Charles Cannon; to the Committee on Invalid Pensions.

By Mr. ALLEN: A bill (H. R. 18946) granting a pension to Albert L. Daniels; to the Committee on Pensions.

Also, a bill (H. R. 18947) granting an increase of pension to Anna Katharine Frentzel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18948) granting an increase of pension to Maria Caroline L. Meyer; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 18949) granting an increase of pension to Jacob A. Thuma; to the Committee on Invalid Pensions.

By Mr. COX: A bill (H. R. 18950) granting a pension to Frederick Brinegar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18951) granting an increase of pension to George W. East; to the Committee on Invalid Pensions.

By Mr. GOEKE: A bill (H. R. 18952) granting a pension to Charles W. Begien; to the Committee on Pensions.

By Mr. HARRIS: A bill (H. R. 18953) granting an increase of pension to Elizabeth Smith; to the Committee on Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 18954) granting an increase of pension to Stephen Reese; to the Committee on Invalid Pensions.

By Mr. LIEB: A bill (H. R. 18955) granting a pension to Jennie Meredith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18956) granting a pension to Hester Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18957) granting an increase of pension to Joseph Corn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18958) granting an increase of pension to Overton L. Dismett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18959) granting an increase of pension to Alexander D. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18960) granting an increase of pension to Henry Hart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18961) granting an increase of pension to Isaac M. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18962) granting an increase of pension to Thomas Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18963) granting an increase of pension to Benjamin McClellan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18964) granting an increase of pension to Thomas Nichols; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18965) granting an increase of pension to Mathew Pennington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18966) granting an increase of pension to Washington Rider; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18967) granting an increase of pension to Henry Schnarr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18968) granting an increase of pension to Jackson Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18969) granting an increase of pension to William L. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18970) granting an increase of pension to William Walling; to the Committee on Invalid Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 18971) granting a pension to Eva Saunders; to the Committee on Pensions.

By Mr. SELLS: A bill (H. R. 18972) granting an increase of pension to William C. Crosswhite; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18973) granting an increase of pension to Mary A. McLain; to the Committee on Pensions.

Also, a bill (H. R. 18974) granting an increase of pension to Madison T. Trent; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BARTON: Petition of 1,000 women of the Woman's Christian Temperance Union, of Nebraska, protesting against the postponement of the Hobson bill; to the Committee on Rules.

By Mr. BORCHERS: Petition of 35 citizens of Charleston, 70 citizens of Tuscola, and 25 citizens of Urbana, all in the State of Illinois, favoring national prohibition; to the Committee on Rules.

By Mr. BRITTEN: Petition of Chicago Real Estate Board and Illinois Bankers' Association against special revenue tax bill; to the Committee on Ways and Means.

By Mr. CALDER: Petition of H. F. Stimson, Brooklyn, N. Y., relative to Clayton bill; to the Committee on the Judiciary.

Also, petition of Fash & Co. and A. Habernich & Co., New York, against tax on wines; to the Committee on Ways and Means.

Also, petition of H. Planten & Son, of Brooklyn, N. Y., and the Maltine Co., of New York, against tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. CARY: Petition of S. J. Falk, of Milwaukee, Wis., protesting against national prohibition; to the Committee on Rules.

By Mr. DICKINSON: Petition of 101 citizens of the sixth district of Missouri, in support of House bill 5308, to compel concerns selling goods direct to consumers entirely by mail to contribute their portion of funds in the development of the local community, the county, and State; to the Committee on Ways and Means.

By Mr. GORDON: Petition of 140 picture shows in Cleveland, Ohio, protesting against \$100 excessive war tax; to the Committee on Ways and Means.

By Mr. HELGESEN: Petition of George J. Fogel and 34 others of Chaffee, N. Dak., protesting against tax on gasoline; to the Committee on Ways and Means.

Also, petitions of 75 citizens of Laramie, 60 citizens of Grand Forks, and 40 citizens of Bathgate, all in the State of North Dakota, favoring national prohibition; to the Committee on Rules.

By Mr. KAHN: Petition of masters, mates, and pilots of the Pacific and Marine Engineers' Beneficial Association No. 35, protesting against the suspension of the navigation laws; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Orange Owners' Protective Association, of San Francisco, Cal., favoring the Stevens bill, H. R. 13305; to the Committee on Interstate and Foreign Commerce.

Also, memorial of State executive board of the Socialist Party of California, favoring the Hamill retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of the San Francisco Stock and Bond Exchange, protesting against war tax on stock brokers; to the Committee on Ways and Means.

Also, memorial of United Master Butchers of America, relative to Congress subsidizing land for farming and raising live stock; to the Committee on the Public Lands.

By Mr. KENNEDY of Rhode Island: Petition of Women's Christian Temperance Union of Rhode Island, protesting against war tax on beer and wine; to the Committee on Ways and Means.

Also, petition of solid temperance forces of State of Rhode Island, protesting against war tax on alcoholic liquors; to the Committee on Ways and Means.

By Mr. LEE of Pennsylvania: Memorial of Philadelphia Board of Trade, protesting against H. R. 18666, providing for Government ownership, etc., of vessels in the foreign trade; to the Committee on the Merchant Marine and Fisheries.

By Mr. LIEB: Memorials of Henry Reis, president Old State National Bank; M. S. Sonntag, president Indiana Bankers' Association; the Evansville Clearing House Association, Walter J. Lewis, manager; American Trust & Savings Bank, Marcus S. Sonntag, president; and the West Side Bank, all of Evansville, Ind., against taxing banks \$2 per thousand upon capital, surplus, and profits; to the Committee on Ways and Means.

Also, memorial of W. L. Jaus, of the Central Labor Union, of Evansville, Ind., in favor of proposed amendment to section 85 of House bill 15902; to the Committee on Printing.

By Mr. LONERGAN: Petition of citizens of the first district of Connecticut, protesting against House bill 18891; to the Committee on Ways and Means.

By Mr. RAKER: Petition of Los Angeles Stock Exchange, protesting against tax on stockbrokers; to the Committee on Ways and Means.

Also, petition of Philadelphia Board of Trade, protesting against House bill 18666, providing for Government ownership, etc., of vessels in foreign trade; to the Committee on the Merchant Marine and Fisheries.

By Mr. J. M. C. SMITH: Papers to accompany House bill 16662, for relief of John R. Lucas; to the Committee on Invalid Pensions.

By Mr. SAMUEL W. SMITH: Petition of citizens of Leonard, Mich., favoring national prohibition; to the Committee on Rules.

By Mr. WEBB: Petition of citizens of North Stonington, Conn., favoring national prohibition; to the Committee on Rules.

By Mr. WILLIS: Petition of George A. Caskey and other members of the Ohio State Association of Dyers and Cleaners, against the levying of certain additional tax on gasoline; to the Committee on Ways and Means.